

July

1920

THE

CBENGAL, BIHAR & ORISSA E CO-OPERATIVE JOURNAL

Vol. VI

No. 1

"If the system of Co-operation can be introduced and utilized to the full, I foresee a great and glorious future for the agricultural interests of this country."

H. M. the King-Emperor.

December 1920.

Editor:

PROF. J. C. COYAJEE, B.A. (CANTAB). PROF. V. MUKERJEE, M.A., F.R.N.S.,
Presidency College, Calcutta. Presidency College, Calcutta

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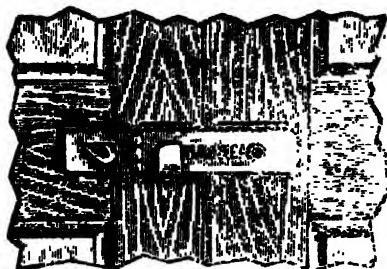
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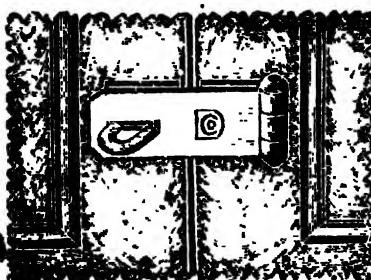
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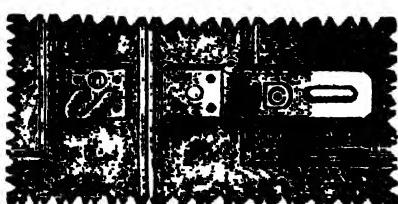
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The Bengal, Bihar and Orissa Co-operative Journal

JULY 1920

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THE ENGAL, BIHAR AND ORISSA CO-OPERATIVE JOURNAL

Vol. VI

JULY, 1920

No. 1

NOTES AND NEWS

With the present number out, *Journal* enters on the sixth year of its existence. We gratefully acknowledge the literary support which it has so far received from so many co-operators in Bengal, Bihar and Orissa. But if the *Journal* is to be the power for good that it ought to be it should receive a much larger and regular measure of that support. That alone will render it - to quote the words of H. E. Lord Ronaldshay - "The independent mouthpiece of the movement" in this part of India. We appeal to workers who are carrying the task of Co-operation in the Districts - Secretaries and Directors of Central Banks, Inspectors of Co-operative Societies, and Volunteers and Missionaries of Co-operation--to embody their experience and suggestions into contribution which might add to the utility and value of the *Journal*.



The active interest which His Majesty the King Emperor has graciously shown in the cause of co-operation is a welcome sign of the times. His Imperial Majesty has already forwarded a hopeful and instructive message to Indian co-operators which we always

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inscribe on our title page. On this occasion His Majesty has manifested a practical interest in co-operation in England by purchasing a number of shares in the Farmers' Co-operative Association, as also by advising his tenants to become members. It was time that the ruling princes and the landed aristocracy of India followed this illustrious example and set strenuously to work to further the great cause in our country.



In a recent and valuable contribution Mr. Wolff reminds us that we have not come to the last words on the matter of our co-operative structure in India. He draws attention to some features of doubtful value on our guaranteeing unions. Mr. Wolff with his lifelong and world-wide knowledge of co-operation is the most proper person to advise on any want of *elegance* in our co-operative development and it is well to ponder his advice carefully. He asserts and emphasizes the good work done by such unions,—“By all means let us turn to account for common business over a wider, though still sufficiently limited, area the stimulating action opportunely discovered in the grouping of societies.” In his picturesque way he adds that “Indians under this aspect make poor soloists but sing well in chorus, where one voice supports the other. Independent criticism, vigilance and action, however, we must have. And to call forth such one might excuse guaranteeing unions being temporarily employed.” The best commentary on this statement of Mr. Wolff is the remark of Mr. Clayton to the effect that these unions “are analogous to (and perhaps have as great solidarity as) the primary societies of Europe.” According to Mr. Wolff the ultimate fate of our “guaranteeing unions” is to become “supervising unions,” to be eventually merged into larger unions of the European type. His chief objection to the “guaranteeing unions” is the presence of the guarantee, which means the interlocking of the liabilities of the several societies united, resulting therefrom. He also adds that as each society in a union can only borrow funds with the permission of the committee representing the remaining societies, societies are too dependent on each other's good will and may be tempted to be too indulgent to

the defects of others in order to secure a like complaisance towards themselves.



An answer has been attempted to these criticisms of Mr. Wolff by no less an authority than Mr. Ewbank. To the objection as to interlocking of liability it is retorted that "even in a Central Bank in which primary societies hold shares some interlocking of liability takes place. The difference between a Central Bank and a guaranteeing union in this matter is mainly one of degree." As to the other criticism of Mr. Wolff the answer attempted is that "a similar objection might be urged to practically all institutions organized on a democratic basis" and that "the interest of societies rather is to insist on strict management so that the total credit of the union may rise and more funds may become available for all the members than to snatch a momentary advantage by lowering the standard." The latter answer does not appear to us a very convincing one. How often in human affairs have men fallen before the temptation to lower their standard of achievement for the sake of a temporary advantage?

Mr. Wolff also urges that guaranteeing unions do not generally adopt the right standard for gauging the credit-worthiness of primary societies. This view of Mr. Wolff receives support from some very pertinent observations made by our esteemed contemporary *the Bombay Co-operative Quarterly* on the subject. It is emphasised there that "the credit-worthiness of a union depends on two factors - the ability and willingness to assess credit carefully and to forecast requirements methodically, and the maintenance of intimate touch between constituent societies by frequent intervisiting and mutual supervision. Now in both these directions, many of these unions have to be found fault with. . . . It will be sometime before the system can be deemed a satisfactory solution of one of the acutest problems of Co-operative Administration.



Thus, it is generally admitted that there is great room for improvement in our system of guaranteeing unions. But in

saying so we do not go so far as the Sub-committee of the Eighth Conference of Registrars at Simla, which reported that but few of its members were in favour of the system of guaranteeing unions. The latter have to develop and to justify themselves against their critics, while at the same time the Central Banks should also develop efficient agencies which would keep them in touch with primary societies and help the former to estimate carefully the financial strength of societies and the financial credit which might legitimately be extended to them. We require a *pari passu* development of Central Banks and guaranteeing unions on the right lines which alone can enable these institutions to undertake just those functions which are proper to each.



The Registrar of Co-operative Societies for the Bombay Presidency intends to put forth a laudable effort to foster the growth of people's Banks in his jurisdiction. In a valuable circular on the subject he analyses the situation as it exists in Bombay and adds valuable criticism. He shows, for instance, that at present Gujarat and Sind are without such banks though these regions would greatly profit by the existence of such institutions. He adds that it is difficult to say which of the Urban Credit Societies on Bombay side can fairly be taken to be doing the work usually ascribed to a People's Bank. Some of the Urban Credit Societies are very small and specialised societies intended to relieve a small class and doing useful but inconspicuous work in their own way. Others are communal or caste societies. But he goes on to say that neither of these classes of Urban Credit Societies, valuable as they are, is quite what is meant by a People's Bank. The Registrar also emphasizes the dangers in the way of such banks which might easily become dividend-seeking institutions, neglectful of arrears and non-co-operative. He would, therefore, have them fix their maximum dividend from the beginning at nine per cent., as well as adopt the principle of "one man one vote." He also advises them to give bonuses or rebates to customers according to the business done. The Registrar also discourses on the general advantages of genuine People's Banks,

the help they could give to dying local industries, their special value to India which suffers from insufficient banking and the great advantage of such banks as regards the administrative training which they afford and the independence which they foster.



We welcome the contemplated attempt to develop further the system of Urban Banks in the Bombay Presidency. Bombay and Bengal might well pool their experience in this matter. Bombay can with advantage imitate the great growth of employees' societies which Calcutta has witnessed during Mr. Donovan's administration. On the other hand, we, on our side, might borrow a leaf from Bombay in the matter of communal societies. For, say what you will, caste is the greatest existing social power in India and can call forth a devotion to work and a competitive stimulus which no other institution in India can supply. The promoters of People's Banks in India will do well also to bear in mind Mr. Wolff's advice to the effect that "there seems a rather dangerous tendency in India to overdo the smallness of societies." We want "very much larger banks with more ample means and very much extended liberty of action. There can be no talk in them of unlimited liability." Finally, we might emphasize the necessity of furnishing our system of People's Banks with an organization and managing machinery more adopted to their functions and needs a machinery at once more comprehensive and specialised than that of primary rural societies or of Central Banks.



We should draw the attention of Indian students of industrial co-operation to the highly interesting "Report on Profit-Sharing and Labour Co-partnership in the United Kingdom" published recently by the Ministry of Labours. We would further suggest that when studying that Report our readers would also peruse attentively Mr. H. W. Gordon's useful book on "A National Scheme of Profit-Sharing" as well as a series of valuable articles on the same subject which have appeared in the columns of the "*Economist*" last May.

As has been well-observed, interest in Profit-Sharing runs in cycles, the boom coinciding usually with a period of good employment and of labour unrest. It is, therefore, not unnatural to find that an exceptionally large number of profit-sharing schemes have lately been started.



Whatever might be the prospects of profit-sharing in the future—and we trust they are very bright ones—yet for the present as we learn from the report, the large proportion of abandoned schemes is the most noticeable feature of the statistics of the profit-sharing and co-partnership movement in England. We are told that while in 182 cases profit-sharing is being practised in the United Kingdom, such schemes have ceased to exist in 198 cases. The causes of the abandonment of the schemes consisted in 91 cases of the dissatisfaction of employers or of the work-people and in 14 cases of opposition either from trade-unions or employees. Financial reasons proved fatal to 51 schemes. There is obviously much room for improvement in co-operative practice in view of the following dictum : "One might expect, especially in the North and in Scotland, where co-operative distribution has proved so successful,, that co-operative production would have an easy course. Far from it. Many schemes have been started, but few survived. Even the co-operative societies have no scheme of co-operative production for their own work-people, who, in fact, are just as militant against the fellow-workmen as those workmen in their turn are against their capitalist employers." Looking to the statistics we do not find co-operative societies at all forward in spreading profit-sharing. Of the 1,384 existing retail stores only 103 practised profit-sharing. Neither the English nor the Scottish wholesale societies now give any share in profits to their employees, whilst only 3 out of 47 existing consumers' productive societies pursued this policy in 1918. This reminds us forcibly of Mr. Wolff's observation that distribution spoilt by success opposes production and turns it back on agriculture.



However, the obstacles in the way of profit-sharing and co-

partnership are not all started on the side of the employing bodies. "The workmen has an ingrained preference for a regular weekly wage. . . . Freely transferable shares granted as bonus are, as a rule, converted into cash on the first opportunity. Those workmen who save prefer to choose their own resources of investment. . . . The average workman is concerned only with questions of wages and conditions and is content to leave management and marketing in other hands. He realises his own limitations and it is probably from these that his very suspicion springs." The admission and analysis of these difficulties should spur the constructive minds of co-operation to devise fresh means for the triumph of labour co-partnership.



From the far away Philippine Islands we have received a report of the beginning of co-operative credit in that country of ten million inhabitants. The work has been entrusted to Mr. A. W. Prautch, an American who lived in various parts of India for thirteen years in connection with the American Methodist Mission.

He states that the problems met there are similar to the reports published for the various provinces of India as human nature differs but little in different countries. Mr. Prautch is a subscriber to our *journal* and has promised to prepare an article for publication.

The following brief summary of progress in less than four years is very encouraging :

The first Rural Credit Association was organized in October 1916. At the end of 1916 there were 8 associations in existence. At the end of 1917 there were 82 associations. At the end of 1918 there were 212 associations. At the end of 1919 there were 418 associations.

This is half of the municipalities of the Philippines in which a beginning has been made. All associations have not progressed alike. Fifty associations, that began with a few hundred pesos, * now have in the neighbourhood of P 20,000 working capital, composed of paid-in capital, money borrowed, and money on

* One peso is equal to about one rupee,

deposit. Another hundred associations have over P10,000. Another hundred are in the P5,000 class. *The balance are either newly incorporated or are managed by non-progressive directors who fail to measure up to their opportunity through lack of interest or information.* Space forbids giving the interesting details of problems met and overcome and of the self-denying work of the 2,000 directors who manage affairs of these associations without remuneration. Each one of the 418 associations has its story, some of triumph and progress, some of continuous battle against powerfully intrenched interests, *others of cowardly or indifferent leaders, etc.* But they are all working out their own salvation and each community will have the grade of association it deserves and can be induced to work up to by the tactful advice of the eleven Rural Credit Agents who constantly visit and encourage them.

CO-OPERATION AND THE COMING ELECTIONS.

AN APPEAL

By THE HON'BLE SIR DEVARAPRASAD SARVADHIKARY, Kt.,

C.I.E., M.A., LL.D.

Co-operation is the watchword of the future, as competition and cornering have been of the past. There never was so great a need, as now, of extending and widening as well as of deepening the right spirit of co-operation and mutual helpfulness in all concerns of life, amongst all classes of the people.

Electioneering campaigns have begun, programmes have been published, and vigorous canvassing has been going on. What the mountain in labour will bring forth will be a matter of anxious interest even to those who are unwisely preaching "non-co-operation". But whether non-co-operationists do co-operate with the reform schemes or not is a matter of minor interest of the moment, for sane counsels are bound to prevail in the long run even among those who are crying the loudest. We have fortunately signs of returning good sense already. The great bulk of the people will undoubtedly make a sustained, good and honest try to help on the reforms. The "field" declared is already large and the cry is still they come.

It is matter of great surprise however that "Co-operation" with a big C has not figured prominently in the published programmes or speeches of those willing to co-operate with the reforms. Sanitation, education, industries, temperance and co-operation should, and will long be, the main planks of all political platforms and as I have insistently claimed that is about all the polities we can and need have for a while. We want to build up the people, their resources and their stability. We regret to find that "higher polities," as it is called, has absorbed much of the attention of our future legislators to the detriment and exclusion of the subjects named above.

But there is no excuse or apology for this. Popular education has been going on fairly fast in this direction of late. The Bengal Co-operative Organization Society has been carrying on a vigorous propaganda in furtherance of the Co-operative Movement. By means of journals, lectures, pamphlets, conferences, etc., the Society has been trying to impress on our countrymen the vast potentialities for good which the Co-operative Movement has. Occasional Conferences, Metings at Simla, Bombay, Calcutta and other centres of intellect and wealth have been giving appreciable filip to the movement and the authorities are willingly helpful ; it ought to arrest attention.

Co-operation in its various aspects agricultural, industrial and distributive is the great lever of national progress, and if it is handled properly by the Minister of the future, it will achieve wonders in many directions. Hitherto, too much attention has been paid to the credit side of the movement : the time has come for directing attention to the development of other forms of co-operation, such as co-operative purchase and sale, co-operative stores, co-operative industrial societies, co-operative housing, etc.

Speaking of the evils of profiteering in connection with high prices at the debates in the Bengal Legislative Council on the 1st July, 1920, Sir Henry Wheeler said :

"Although a Committee was appointed by the Imperial Legislative Council in September last it had so far been able to accomplish very little. It had sent down to them here two recommendations of a general character, first, to have an advisory Prices Committee which had been done, and secondly, that co-operative stores might help to alleviate the situation. That had been recommended to the Registrar of Co-operative Societies. The report of the Foodstuffs Committee gave a very full view of the situation. The present conditions had arisen from the war, with its destructive trail throughout the world, inflated currency, difficulty of transport and the situation could not be made good unless those evils disappeared".

The Co-operative Societies have thus found advocates in the Councils of the Empire, but not among the people yet in a full measure : this is much indeed to be regretted.

The need for a proper understanding of the scope and

potentialities of co-operation is all the greater now, as co-operation will be one of the transferred subjects and, therefore, it is incumbent on the electors to elect such men and such men alone as have a clear grasp of the principles of co-operation and their applicability to the special conditions of the country. The University has not yet established a chair of co-operation, though it is a subject of vast importance to the nation. The Universities should undertake the task of promoting thoroughly practical as well as scientific study of the subject and of diffusing knowledge among its graduates. An important first step has however been taken and a University Co-operative Society has been arranged to be started and some of the colleges have organizations of their own. The new University of Dacca, may well have a reader in Co-operation, devoting himself to a scientific study of the subject and publishing the results of such study. The Vice-Chancellor-elect, Mr. Hartog whom we welcome to his new and difficult work, must have close personal acquaintance with the working of the movement in London.

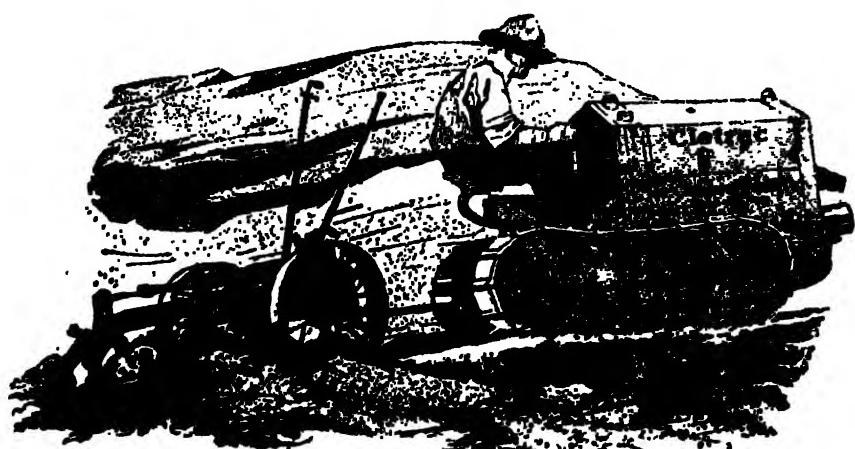
Let us strongly, earnestly and insistently try to bring home to the electors and to the candidates for election the importance of the Co-operative movement and their responsibility in the matter. The co-operative societies have not been given any special representation, probably because it was thought that co-operation has no politics : it offers a platform on which Hindus and Mahomedans, Bengalis and Britons, traders and educationists—in fact, all classes, castes and creeds are supposed to work hand in hand for the moral and material uplift of the people. Every member of the new Councils will and must needs be a "Member for Co-operation." It is incumbent, therefore, on every candidate to understand, espouse, preach and practise its cause. Some should see to it however that what is *Every body's* duty and interest does not cease to be *Any Body's*. It is the most potent and promising economic movement in India to-day and should, in this "Spacious Day" to come, grow from more to more.

ZEMINDARS AND CO-OPERATION

[By RAI LALIT K. MITRA]

It is an undisputed fact that the provision of credit to the Ryots by itself will not solve the problem either of rural indebtedness or of the poverty of the people. The Physioeratic doctrine that agriculture is the only productive industry does not seem to us to be entirely fallacious. For the real material progress of any country depends on its self-sufficiency as regards its agricultural products. The increase in the agricultural wealth of a country is a surer index of national prosperity than the statistics about foreign trade.

India is mainly an agricultural country. The Indian Ryots, like their brothers elsewhere, are heavily involved in debt, and are rather averse to changing their time-honoured method of agricultural production. Since the advent of Co-operation more than 20,000 *Credit Societies* have been started in India. The Ryot has been given facilities for borrowing but he has not been taught how the borrowed money is to be utilised in increasing the productive capacity of his land. It is here that the Zemindars can come to the aid of the helpless Ryots by organising among the Ryots Co-operative Production Societies on the model of the Naogaon Ganja Cultivators' Co-operative Society, and by introducing among the members of such societies labour-saving and productivity-increasing machines like Tractors of which an illustration is given here.



The advantages of using this kind of Tractor are diverse in kind. After comparing other Tractors with this one, one can unhesitatingly say in one word that it is a 'Tank in Peace.' It is needless to describe how the British Tanks played their part in the Great War.

All kinds of work involved in agriculture, such as ploughing, harrowing, seeding, harvesting, hauling etc., can be done by the use of Tractors more expeditiously and more economically. The table given below brings out the comparative advantages (as regards costs) of the existing indigenous method and the scientific method.

— — — — —

Approximate annual cost of Cultivating 1000 Bighas or 330 Acres of Land.

Existing Method.	Rs.
CAPITAL :	
50 pairs of oxen @ 100/- per pair	.. 5,000
50 country ploughs .. .. .. ..	.. 250
Cattle sheds .. .. .. ..	.. 750
..
	Rs. 6,000
..
 Scientific Method	
CAPITAL :	Rs.
2 Tractors @ 5,250/- 10,500
Implements 4,500
Sheds and Workshop 1,000
..
	Rs. 16,000
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ANNUAL EXPENSES

Existing Method.

	Rs.
Interest on Rs. 6,000 @ 6%	360
Feeding 100 oxen @ 5/- a month	6,000
50 Ploughmen @ 12.8/- a month	7,500
10 Gowallas @ 10/- a month	1,000
Coolies for the year	300
Depreciation charges @ 20/- a month	240
Total cost	Rs. 15,600

Scientific Method.

	Rs.
Interest on Rs. 16,000 @ 6%	960
Cultivating 330 Acres 1½ times in the whole year, i.e., 4,000 Acres, requiring 1,000 gallons of Kerosene @ 12/- a gallon	3,000
160 Gallons of Petrol to start @ 18/- per gallon	240
40 Gallons of lubricating oil @ 5/- per gallon	200
2 Motormen @ 70/- each per month	1,680
One Coolie for cleaning @ 15/- a month	180
Coolies for the year	100
Depreciation charges @ 30/- a month	360
Petty repairing @ 15/- a month	180
Total cost	Rs. 7,200

It will be seen from the above table that the expenses of agricultural work will be reduced by half by the introduction of Tractors, while the outturn will be increased by about 10 Mds. per Bigha or 30 Mds. per Acre. It will require greater space than we can command to bring home the manifold advantages to be derived from the Tractor when applied to the work of agriculture. It can work on every kind of soil, sandy, wet, hard, soft, heavy or light : and on every plot of land whether large or small (the

minimum area required being one Bigha or one-third of an Acre.) The Tractors pump water for irrigation purposes and this is no mean advantage to agricultural production in many parts of India; by its belt-pulley the Tractor may also work the majority of farm machines, such as, winnowers, chaff-cutters, threshers, circular-saws and the like.

Another remarkable fact about these Tractors is that they cost nothing when they remain idle : With the cessation of their work the expenses also cease, and the bullocks and cows which were used in cultivating land could be put to other economic uses. Their power is generated by the use of cheap kerosene, whereas cattle require for their maintenance such dear food-stuffs as corn, oilseeds, grass, etc.

The Zemindar should himself purchase the above Tractor, cultivate his *Khas* lands (if he has any) with it, and loan it out to the members of the co-operative society at a reasonable rent.

But the mere formation of such societies will not do. If the agricultural products of the members of the society have to be sold at a loss to the *Mahajans* and the middlemen, the Ryots will scarcely derive any benefit. To give the Ryots the full benefit of the use of the scientific mechanical methods of production, the Zemindars may usefully buy out the agricultural products of the society. If the individual members of the society, i.e., the Ryots sell their surplus products to the Zemindars, it will put an end to the pernicious system under which the *Mahajans*, who advance money to the Ryots as *Dadans*, throttle the poor peasants by compelling them to dispose of their crops at costs much below those obtaining in the market. And these products may be sent to the Wholesale Society about which Prof. P. Mookerji moved a resolution at the recent meeting of the Board of the Bengal Agricultural Department, (*Vide, B. B. O. C. Journal, May issue*) : This proposed Wholesale Society, like the Bengal Provincial Co-operative Federation, should consist of a mixed membership, viz., the Zemindars and the Co-operative Societies.

In the ways indicated above the Zemindars may not only benefit the Ryots, but they will also be able to justify their position as the natural leaders of the people.

SOME ASPECTS OF CO-OPERATION IN THE UNITED PROVINCES

[By PROFESSOR LOKENDRA NATH GHOSE, M.A., AGRA COLLEGE.]

One outstanding feature of Co-operative Movement in India is the fact that the movement owes its origin entirely to the initiative of the Government. The stagnation of the poorer classes, more specially of the agriculturists who constitute the bulk of the population, had long drawn the attention of the Government and many fruitless attempts were made in the past to introduce measures on the lines on which it had proved effective in solving the poverty problem of the agriculturist in western countries. The first attempt in this direction was the scheme put forward by Sir William Wedderburn in the early nineties. But it was a failure. Fifteen years later the Government was again roused to take action against the growing evil and deputed Sir F. A. Nicholson to enquire into the matter and report. Sir Frederick suggested the formation of Co-operative Credit Societies as the only means of conquering agricultural indebtedness. But the extreme illiteracy of the masses among whom it was to be introduced made the Government dubious about its results. Consequently the report was shelved. It was left to the credit of a strong-minded man of great ability in the person of Lord Curzon to inaugurate a scheme embodied in the Co-operative Credit Societies Act of 1904. Thus it is clear that the impetus to the movement came from the Government and not from the people. In this we are in striking contrast with Germany, a country which stands out prominent in the progress of Co-operative Credit Societies, where the impetus came from the people themselves and the credit of starting the organization in the villages is given to Raiffeisen.

The co-operative movement is essentially a movement of the people for the people and, therefore, would succeed well in the hands of the people. Keen and active interest of the members in a society constitutes the very pulse of co-operative life, and the problem before the co-operators is to enlist the sympathy and

active interest of men both outside and within the movement itself. Too much of officialism consequent on the absence of local interest saps its vitality and make its growth artificial, while natural and healthy growth implies independence of Government, self-help and self-reliance bring the watch-words of co-operation.

It is this fact which at once explains why the Government of India, while laying the foundation of co-operative movement in India, did not do much in the matter of substantial financial assistance which the more fortunate institutions of foreign countries enjoyed. When soon after the outbreak of the recent war some of the societies in the United Provinces were faced with large withdrawals, the local Government acting on the advice of the then Registrar, Mr. A. C. Chatterjee, offered to give special financial help to the societies. This gave rise to a good deal of criticism against the action of Government. It was urged that Government intended to intervene to bolster up the movement, the success of which hinges on its absolute independence of Government assistance. But right-thinking men justified the action of Government as an exceptional measure under abnormal conditions. Government assistance was likely to restore confidence sooner in the minds of the public at such a critical period and actually it saved the situation which otherwise would have meant widespread panic and a blow to the Co-operative Movement as a whole. It cannot be gainsaid that in the furtherance of Co-operative Movement Government has done its part satisfactorily and every kind of encouragement has been given. Committees of enquiry were appointed at great expense. Sir Edward Law's Committee laid the basis of the Act of 1904, which was modified afterwards in 1912, to give facility for widening the scope of the movement. In 1914 Sir Edward MacLagan's Committee made certain recommendations which were likely to suit the progressive needs of the country. It is evident, therefore, that a great deal of spade work has already been done; the ground is ready and it remains with the people to develop and enjoy the benefits conferred by the State.

The principal form of co-operation which at the present time is of any importance is credit co-operation. It was to this form of co-operation that legal recognition was first given by the Govern-

ment. For what the poverty-stricken peasantry needed most, and even do so to-day, is capital for their only industry. This capital they borrow at exorbitant rates which leave no profit for themselves or even allow them a share of the fruits of social progress; on the other hand, they oftentimes result in the alienation of land from the professional tillers of the soil. Under these circumstances the first step in the direction of economic salvation of the agriculturist lies in furnishing him with sufficient amount of capital for his business. But if the full benefit of Co-operation is to be secured it must extend on lines of co-operative distribution and production, the need of which is being sorely felt in the villages and unless there is a net-work of such combinations co-related to one another for purposes of production and distribution, the agriculturist is bound to remain more or less under the control of the money-lender and the middleman. Later on we shall discuss the lines on which the distributive societies should work to the benefit of agriculture. The fact remains that the simple extension of Credit Co-operation is only a partial and very imperfect solution of the poverty problem of the agriculturist.

Even in Co-operative Credit Societies, which have made phenomenal progress during the last few years, there remains much to be desired. The committee under the chairmanship of Sir Edward Maclagan rightly pointed out that the progress of co-operative movement is to be judged not by the quantity but by the quality of such societies. They urged the supreme importance of a careful inquiry prior to the formation of a society and the constant and continued education of its members in co-operative principles and practice. The writer of this article had occasion to visit some societies in the Agra district and from what he saw and heard he gathered that the greatest difficulty under which the societies were working was lack of elementary education of the members. Without this education, which is the backbone of all organisations, the efforts of both the Government and the public will not bear satisfactory fruit; a healthy growth of co-operative movement can only be expected when it is based on a sound system of elementary education. Such education will help them a good deal in the efficient working of the society and dispense with the necessity of keeping paid accountants and will also raise the general

intelligence of the members. A knowledge of keeping accounts, signing pro-noses, reading pass books and receipts is likely to minimise the charges of fraud. A society composed of men possessing a certain amount of elementary education can easily imbibe co-operative ideas upon which its successful working depends. Want of elementary education and, therefore, a failure to understand the principles on which Co-operative Societies are worked is responsible for the members thinking lightly of their societies as shops for cheap capital. The first thing which is urgently wanted to put the movement on a sound basis is the diffusion of elementary education among the members. There is no more beneficent work which can be promoted by Co-operative Societies out of their profits than this. The primary societies which are usually very small in size find it difficult to maintain schools out of $7\frac{1}{2}$ p.c. of their profits which the law permits them to devote to charitable or educational work ; hence the assistance of Central or District Banks in the matter will be of great help. Societies can also aid the cause of education by co-operating with District and Municipal Boards. It is gratifying to note that a certain amount of educational work has already been done in the Benares district. The Shahpur Co-operative Society and the Kasi Co-operative Bank may be cited as instances of Co-operative Societies undertaking educational work. It now remains to encourage further extension of this work by societies all over the country. In the second place, steps should be taken, as suggested in the Maclagan Committee's report, by the Central Banks to send out representatives to the interior of villages to make the people understand the principles and practice of co-operation, their duties and responsibilities in the society and the advantages to be derived from it. It is only when these ideas are brought home to their mind that one can expect them to take a more intelligent interest in the working of the society and discharge their duties carefully. The District Banks in the United Provinces have set an excellent example in this respect by maintaining an adequate and well-paid staff for propagating sound ideas on co-operation. It is, however, at this stage too expensive to increase the number paid staff for the purpose. Hence in this matter the movement expects help from men interested in the cause of co-operative progress.

Public spirited local men in the villages, preferably the village *Panchayets*, may take up the work. They are the persons who by their local influence and active interests are likely to impress the people more than the occasional visits and elucidation of co-operative principles by persons who are quite alien to them and whose interests are only one-sided. The examples of local men taking interest in co-operation will also put enthusiasm in them which, under proper direction, may bring about mushroom growth of societies in every district and a regeneration of village life.

There is yet another way in which the local interest of all concerned can be roused. It is, as is very often pointed out by experts, by making the society financially independent of outside assistance. The village societies are now-a-days financed by Central or District Banks situated at a distance from the societies themselves. It should be the endeavour of the village societies to raise the amount locally by inducing deposits from the public. This will not only ease the financial situation but the financial stake involved will make the local people take interest in the society. It is said, and very wisely, that without local deposits there can be no local interest and without local interest the movement can be little but an official movement rigidly dependent upon Government support.

In most provinces of India there are three stories in the co-operative structure, *viz.*, the primary societies, the district or central banks and the provincial bank. The district or central bank in the United Provinces is at present the only financing and controlling agency of the primary societies. It is hoped that when the primary societies are sufficiently strong to raise large funds for themselves, the district banks will serve as a balancing institution for them, that is, they will serve as a medium through which available capital within the district may be evenly distributed according to the needs of primary societies within the district.

For sometime past a need has been felt in this province for a further link between the district bank and the outlying primary societies. As the number of primary societies within the jurisdiction of a district bank increased, it became increasingly difficult for the district banks to keep themselves in close touch with the surrounding primary societies and to discharge all their duties

satisfactorily. Mr. Freemantle, the late Registrar, devised the system of small central banks working in subordination to district banks and supervising the primary societies within their respective areas. The idea was that the central bank serving an area of average 100 square miles would be more in touch with the village societies, and consequently efficient management and control would become easier. But unfortunately the central banking system has not proved very successful for two reasons. In the first place, smaller central banks have not been able to raise locally any substantial amount of capital either in shares or deposits. The reasons are that rich people in the district prefer a district bank for depositing money which naturally has a more influential backing. Hence the central banks have to borrow funds from the district banks and not being able at the same time to raise the rate at which to lend money to primary societies find very little margin to enable them to carry on the administrative work of the bank. Secondly, honorary services secured by most of the smaller central banks have been very disappointing in character and quality. Excepting few cases the societies have not been able to attract the services of able men. It is suggested as a remedy for these drawbacks that the banking element should be eliminated from the central bank, and they would become mere Unions without share capital, reserve funds or deposits. The primary societies would borrow directly from district banks on the recommendation of the Unions. The Unions representing the combination of a number of societies for the purpose of effective supervision will provide an additional security based on a limited liability undertaken by individual members of the Union. Besides, with Unions the financial difficulties of maintaining a central organisation does not arise. For the unions will be able to manage the work with least expense, very little of clerical and supervisory work will be required. The president or *sarpanches* will be capable of exercising the general supervision required of the society. The special type of such societies is to be found in Burma, the conditions there being more favourable for the development of unions than in the United Provinces. To make a union successful the affiliated societies must be situated close to one another so that one member-society can easily find out what is going on in the adjoining society.

The social custom in Burma brings the villagers very often together, there being no caste restrictions, common eating and drinking at festivals are much more common in Burma than in the United Provinces. The Burman of one village therefore gets to know a good deal more about people in adjacent villages than is the case in the United Provinces. It is therefore desirable that in the establishment of unions in this part of the country the authorities should proceed slowly and cautiously. Experimental unions may be started where the conditions are favourable and if they prove successful the system might be extended elsewhere.

The real value of the co-operative movement is appreciated when co-operative societies have reached the stage of being able to extend their activities to improving agriculture and conditions in village life. Co-operation which aims simply at supplying the villagers with cheap capital is only a stepping-stone to something real and substantial and therefore can never be an end by itself. It is no good supplying them with capital without at the same time giving them an opportunity to utilise it in the best possible way. The Act of 1904 provided and sanctioned societies for credit purposes alone and when the movement got a footing the only natural and healthy course of development was, as experience showed, on the lines of co-operative distribution and production. In the matter of agricultural development the co-operative societies and the agricultural department are complementary to one another. The agricultural department is endeavouring to work out the lines on which agricultural development should take place. Research work in connection with the improvement of seed and other requisites of agricultural industry and the demonstration of the results of investigations of the research branch--are works with which the department is concerned. This government machinery cannot touch more than a fringe of the entire agricultural population unless the agriculturist meets the government half-way in the matter. The societies afford the best medium through which the results of research and demonstration work may be transmitted to the actual cultivators. We shall consider broadly the lines on which agricultural societies may work in the improvement of agricultural industry. One of the most urgent needs of the agriculturist is the supply of better quality seed. In England

the work of the agricultural experimentalist is over when the improved variety of seed is obtained, and its value demonstrated. Larger farms of seed-growers are always ready to accept the seed for commercial production. The average English farmer purchases seed from the well-known farms and from the produce saves enough for the whole year's sowings. In India the conditions are entirely different. There are few cultivators who save their own seed ; and there are no seed merchants. The agricultural department, in order to establish a new variety of seed, distributes seed sometimes even at a loss, but it cannot be expected to grow enough seed to supply even a district. It is clear therefore that some scheme is required by which the department's seed may be multiplied locally and the most appropriate organisation of it is the co-operative society. It has been suggested by experts that the societies should start with a sufficient quantity of seed stock and should issue pure seed from the department to selected members as seed-growers. These selected cultivators should undertake to offer their produce to the bank at the harvest time and should take special care to thresh them in a special *Khalian*, so that the seed may be kept pure and not degenerate by gradual admixture. The seed-growers of course should work under the direction of departmental inspectors, so that the best variety may be grown. It is just on these lines that the Pusa No. 12 is being popularised in many districts in the United Provinces.

Societies may again be also formed for distributing water among the villagers. The need is specially felt in the United Provinces because of the scanty rainfall that falls to her share generally. The system of irrigation prevailing in this part of the country is principally irrigation from well. About one-fifth of the province is under canal irrigation, the other four-fifths is watered by wells, *jhils* and *nadis*; the areas irrigated under *jhils* and *nadis* are small in comparison with those watered from wells. There is abundant scope for extension of wells in places that are outside the influence of canals which can very well be undertaken by the co-operative societies. When one compares the rich fine crops of canal-irrigated tracts with the poorer ones, and in the absence of winter rains, the stunted ones, in parts not covered by canals, one feels how

little has been done in the country in the way of water-lifting. The country is specially favoured by nature with an abundant supply of underground water generally at a very moderate depth beneath the ground level. This underground water is stored up in sand beds and extends to depths of 1000 ft. beneath us. It has been calculated that in a 40-inch rainfall some thing like 14 inches of water percolates through the upper strata of the earth's surface. And considering the amount of water required for irrigation with an average of 40 inches rainfall the underground reservoir will be replenished annually without any danger of exhaustion. Mr. F. H. Vick, Agricultural Engineer, Cawnpore, suggested an improvement on the existing wells. The existing wells at present irrigate generally between 8 to 15 bighas and in order to irrigate a larger area there should be either a large increase of pucca wells or more water obtained from the existing wells. Mr. Vick suggests that the sinking of tube wells in a good existing pucca well will increase the yield about ten times. The condition favourable for taking a tube well is that the depth of water in a well should be at least 25 ft. Although the initial cost of tube wells is generally high, ranging between Rs. 3,500 to Rs. 5,000, yet it is no higher when comparison is made of the yield of water from a tube well and the same quantity obtained from a number of ordinary pucca wells. The main drawback in this country of its extension is the smallness of the holdings of cultivators. The remedy lies in co-operation. The central bank can undertake to sink tube wells on behalf of the members who individually cannot afford to sink one.

Organisation on co-operative lines for marketing the village produce is one of those needs of cultivators which requires careful attention. The cultivator in India is a small man with a limited amount of out-turn and therefore cannot have any direct dealing with the wholesale merchants in the open market. He is generally compelled to sell his produce at a low price to the *mahajan* to whom he is indebted; so that it is a common thing in India to find a difference between the bazar price and the village price which sometimes amounts to 25 p.c. or more. The bazar price is the price at which the large dealer sells to the exporter and village price means the price which the cultivator actually gets. Co-operative distributive societies may be formed to serve as an

intermediate agency between the cultivators and export dealers. In order that such organisation may carry on the work on business lines certain conditions must be fulfilled :

- (1) In the first place, there should be some uniformity in the type of the crops grown. This will make it easier for the society to dispose of the produce to the wholesale dealer ; otherwise different types would entail either the mixing up of the whole in one lump which lowers its value or go to the expense of storing different grades.
- (2) Secondly, to get the best price for it the society must be able to sell in large quantities, otherwise it will have to fall back upon the smaller middleman in which case the end of the society will be lost. This is therefore a further argument for encouraging uniformity of types. Societies that undertake the marketing of produce must be directly associated with a seed store, otherwise it would be difficult to encourage uniformity if the society cannot keep up a regular supply of seed for its members. The best thing would be to combine both the services—seed business as well as marketing—and that will save a good deal of cost.

MESSAGES TO CO-OPERATORS FROM CO-OPERATORS*

1. *From the Rt. Hon. G. N. Barnes, M.P.*

It is a trite saying that in Co-operation lies the hope of the world. The saying was never so true as now. The world is broken and distraught, poor, and, in many parts, hungry. It is hoping and groping for means of deliverance, but is, unfortunately, still permeated by the evil spirit or sectionalism, which has been its undoing. And, still more unfortunately, it is confused and bewildered and excited by mere fatuous denunciation on the part of many of those who pose as prophets of a new social order—so true it is that the dreamer of dreams is often a hindrance to their realisation.

The world's recovery from the effects of the War depends upon the Co-operation of Nations and Classes.

With regard to the first named, the principle may be applied internationally by a League of All Nations. The strong should help the weak, or otherwise the weak may collapse and involve all in a common ruin. Credit should be put on a firmer basis by a polling of resources.

Will the world rise to it? I devoutly hope it may. Specially do I hope that the people of the United States of America may rise to the great opportunity now open to them. They are the favoured of fortune. They have been fed by the old world whose able-bodied producers have tilled their land and increased their wealth. The wealth of the West has been increased by the surplus labour of the East. Will the West now stand in insolation from a world in travail; or will it join in a co-operative effort for world redemption through a League a Nations. I hope and believe it will play the better part.

With regard to the second—Co-operation of Classes—the principle is already being applied in the Industrial Co-operative

*From the *International Co-operative Bulletin*.

Movement throughout the world. It is the alternative and antidote to class war with its acrimony and lack of historical prospective ; it is the alternative to the horrors of Russia ; it affords the means by which to harmonise divergent interests and put industry on a basis of common good ; because it brings in the great body of consumers—who embrace both employer and employed—as participants in industrial control. Workers and Capitalists are brought together on a basis of fair dealing for, instead of surplus labour values being credited to the owners of dead capital, the Capitalist is given a fixed return and surplus values are allocated and controlled by the great body of consumers.

Industrial Co-operation lessens friction by removing its cause ; it guarantees fair play to Labour by the fact of its being permeated and vitalised by Labour sentiment ; and it affords a valuable education in the science of Government by throwing its doors open to all who are willing to share its responsibilities as well as its advantages. By its wide extension the world will be helped to recovery because it is a practical application of the principle of collective ownership and control upon which the future depends.

By Co-operation in industry poor bruised and battered humanity will acquire power over its own industrial destiny.

That 1920 may witness a wide acceptance of the principles of Industrial Co-operation is the ardent wish of a life-long co-operator.

2. *From Mr. A. G. Gardiner who stands for all that is best in journalism and politics, and until recently has conducted as Editor the paper which that great social reformer, Charles Dickens, started more than half a century ago.*

"The idea embodied in the League of Nations—the idea of world solidarity achieved through the operations of mutual aid—is essentially a co-operative idea. There are many paths to its accomplishment—political, economic, industrial, educational—but there is only one spirit, the spirit of good will working with a common motive for a common end, the general well-being of humanity. As the vehicle of this spirit, the Co-operative Movement is the most authentic, the most powerful, the most hopeful

expression of the new order. It hitches the wagon of practical affairs to the star of the ideal. It is the working model of triumphant democracy. In it we may see the grandeur of the possibility within the grasp of humanity—the possibility of turning the energies of men from the insanities of selfish competition to the noble task of developing the abundant riches of the earth for the blessing and enrichment of all."

MY APPOINTMENT AS RURAL CREDIT AGENT

| By MISS ENRIQUETA PERALTA, DINGRAS, ILOCOS NORTE. |

When Mr. Prautah urged me to undertake the work of being a regular agent to explain the principles of Rural Credit to the wives of the farmers in my province of Ilocos Norte and to enlist the Woman's Clubs in each town to actively make rural credit one of their chief objects, I hesitated long before I could consent to leave my home work and my woman's club work here. But after some days I was determined to accept this work which, I fear, is greater than my ability.

Each Municipality in this province has a Rural Credit Association and each also has a Woman's Club and I felt it a duty to accept this opportunity to explain to older people the advancement which for years as school teacher I tried to impart to children in my schools.

I am a woman. I clearly see that mothers suffer most from the pangs of poverty. In this province there is no other means of supporting life than agriculture. The poor who often need money must borrow it, with no other means to pay it but their expected crops, and in most cases all that they can borrow is all used before harvest, so they never get out of the debt and ultimately their little

*In connection with the appointment of Miss Peralta by the Bureau of Agriculture as a regular Agent Mr. Prautah states: During my recent inspection trip of the Rural Credit Associations in Ilocos Norte, where every town is organized, there was a delegation of the local Woman's Club at each meeting. On inquiring about this, Governor Ligot informed me that every town in his province has an active Woman's Club which takes an ever increasing interest in civic affairs which deal with the home, sanitation, schools, and social conditions generally. I learned that Miss Enriqueta Peralta was one of the "live wires" in the movement. When in Dingras on January 2, I made it a point to see her and the question of her devoting her wholetime working for the success of Rural Credit from the home side of the family was

piece of farm land will go into the hands of the usurer. What are the sufferings of these mothers? What heavy burden do they bear? And what pain to see their hungering children?

But here is Rural Credit, a blessing sent down from heaven, a protector of the poor, a consolation of the unlucky mothers and a true source of hope for individual independence. We should therefore help associations to progress not only for the wealth furnished but for the ready hand extended to the poor farmers in their trouble, thus helping them to work their fields unhampered and unmolested.

It is the chief object of Woman's Clubs to help in the betterment of their communities. Our Clubs can render no greater service than to actively work with these associations. I merely state that the woman is the banker of the home and should economize, for economy is the bridge of saving and saving is the source of wealth.

The influence of woman is great and should this not be used for this worthy purpose? We can explain this plan to our fathers, husbands, brothers, friends and neighbors, for it is the saving and the lending of these savings at a moderate interest that will be the greatest benefit to the poor and hence a benefit to the entire community.

I do not mean that every woman can take an active part in the fully discussed. She took the matter under advisement and on January 27 sent her acceptance and a paper which she prepared to present at the Convention of Woman's Clubs in Manila, February 3rd to 8th. Miss Peralta has taught school over ten years, she has firm convictions and advanced ideas. To the question I put whether she would be able to induce the women to convince their husbands to deposit their money in the Rural Credit Associations, instead of in the cockpits, she fired up and with feeling said, "I would also shame the men themselves into providing better homes and more comforts for their families." *Miss Peralta will receive the same salary as a man agent and I expect her to do the same or even better work.* It is an innovation but not an experiment. She is not robust and strong and she may be physically unable to stand the wear and tear of travel and her zeal may outstrip her strength but she has the courage to undertake the work and the ability to perform it.

activities of these associations but we can all in one way or another help it in connection with our home problems.

I am informed by Mr. Prautch that credit loans to small farmers is only one branch of possible activity. It is the chief one because this is an agricultural province. There is also the organization of embroidery and needle work Co-operative Associations; poultry and other home industries adapted to woman. It is with regret I see women working on the roads carrying stones and earth. I shall endeavor to establish such co-operative industries as will provide other work more suited to women. The capacity of our Ilocano women to work at weaving and hard work is well-known but there are other industries that can be introduced along with household duties which are more suitable than being labourers.

I am beginning in a new untried work about which I can say nothing yet except that I have had years of observation and my sympathy has grown for the helpless and oppressed and if I can induce the Woman's Clubs to help to solve my country's problems and contribute something to the development of our agriculture and thereby increase the comforts of the homes and lift some of the burdens of the hopeless poor and bring some joy into the hard and joyless lives of the almost discouraged women, I will feel that I have not lived and worked in vain.

PROCEEDINGS OF THE MEETING OF THE COUNCILLORS OF THE BIHAR AND ORISSA CO-OPERATIVE FEDERATION, LIMITED, HELD IN THE SECRETARIAT BUILDINGS AT PATNA ON FRIDAY, THE 28TH MAY, 1920

PRESENT :

President.

1. Khan Bahadur Muhinuddin Ahmed, Registrar, Co-operative Societies and *ex-officio* Governor of the B. & O. Co-operative Federation, Ltd.

Councillors.

2. R. S. King, Esq., Jhanjharpur
3. Rai Bahadur Lekh Narain Singh of Barh
4. Rai Sahib Raj Prakash Narain of Futwah

Secretary.

5. Babu Ayodhya Prasad Verma.

1. The proceedings of the last meeting was taken as read and confirmed.

2. The question about the separate investment of the Reserve Fund was then considered.

The Governor pointed out the disadvantages of allowing the Reserve Fund to remain employed in the working capital and drew the attention of the Council to Rule No. 16 of the rules framed by the Local Government under Section 43 of the Co-operative Societies Act and said that the matter has been dealt with in details in—

- (a) Mr. Collins Note dated 19th August, 1915 (Note on the recommendation of the Committee on Co-operation about Deposits, Loans and Fluid Resources printed

at page 133 to 136 of Registrar's Circulars and Orders up to 1918.)

- (b) Registrar's Circular No. 4 of 1917.
- (c) Circular Letter No. 8355-75 dated 10th November, 1917 and
- (d) Revised circular letter No. 6670-92 dated 11th July, 1918, circulated in his Memo. No. 11853-11920 dated the 15th October, 1919, and that it needs no recapitulation. He therefore suggested that as laid down in the revised circular letter noted above every primary society should deposit its reserve in the Central Bank, the Central Bank, Urban Societies and Stores in the Provincial Bank and the latter in the Bank of Bengal.

After some discussion it was resolved :--

That, as laid down in the revised Circular Letter No. 6670-92 dated 11th July, 1920, issued by the Registrar, Co-operative Societies, every primary society shall deposit 50% of its reserve every fourth year in the Central Bank at 7½% or at such rate or rates of interest as may be paid on fixed deposit and that the Central Bank, Urban Societies and Stores shall deposit the same proportion of their reserve fund in the Provincial Bank and that the Provincial Bank shall in its turn deposit its reserve in the Bank of Bengal in such manner that these deposits may serve the purpose of a guilt-edged security in the shape of a fluid resource i.e., they may be easily converted into money when occasion may arise.

3. The question about the amendment of the by-laws of the Federation was then taken up.

The Governor explained that as the Federation has to depend upon the realization of its assessment from Central Banks and Societies it sometimes happens that the Federation has no money to carry on its business. For this purpose, as previously approved by the Council, he had opened a cash credit account with the Provincial Bank. But he pointed out that there was no provision in the by-laws of the Federation authorising it to borrow and therefore moved that by-laws No. 7 be accordingly amended.

He also explained that in order to undertake the supply and sale of printed forms and other articles needed in the course of

business by Co-operative Societies as laid down in by-law No. 3 with the approval of the Federation, a press had been acquired and is being worked, but as there is no clear provision in the by-laws that the Federation should own a press it needs a suitable amendment.

The council unanimously approved of the suggestion of the Governor and resolved :—

That "borrow up to the amount and on such terms as sanctioned by the Congress from year to year" may be added after the words "The Connell may" in by-law No. 7, and "acquire and work a press, but," be added in the first line of by-law No. 3 after the words "The Federation may."

4. Disposal of the audit notes of primary societies in the office of the Central Bank as suggested in Mr. N. K. Roy's Note dated 21st September, 1919, was then discussed. Some of the Councillors apprehended that it would increase the volume of work in the Central Bank. But it was pointed out that the officers of the Central Bank had already to note the removal of defects in its own copy of the audit note and if they did so by carbon process on both the copies the work would in no case be increased but would rather offer the Central Bank an opportunity to lay before the Registrar its own explanation and thus help a well considered conclusion to be drawn by him on the report of the Local Auditor.

It was therefore resolved :—

That the Local Auditors should henceforth make over both the original and the duplicate (without tearing away the carbon) copy of the audit notes of the primary societies to the Central Banks or persons in charge of primary societies who should note by carbon process in both the copies of the audit notes the action taken by them to remove the defects pointed out in it and then submit the duplicate copy to the Asst. Registrar in charge of the Division or the Registrar where there is no Asst. Registrar within three months from the date of the receipt of audit note and for this purpose submit a monthly return to the same officer. This rule will also govern the Urban Societies and stores will have effect from 1st June, 1920.

5. The introduction of the audit notes of primary societies in vernacular was then considered. A summary of the views of

all the Asst. Registrars and Divisional Auditors was laid on the table.

After careful discussion it was concluded that time had not yet come that concerted action should be taken in the matter.

It was resolved :—

That the Central Bank may make translation of the audit notes for circulation to the societies concerned where they find that the members are intelligent enough to profit thereby. It was also resolved that the Local Auditors should in accordance with the existing procedure always record defects found in the Minute Books of the Societies in vernacular and have it read out to the members.

6. The question of charging to the funds of the Federation, the cost of postage stamps and Registration charges borne by the Central Banks in forwarding payment orders to the Provincial Bank was left out of the consideration of the Council on the suggestion of Mr. King, as it was pointed out that the Central Banks and the Societies have ultimately to bear all the expenses of the Federation.

7. The revised Budget (Appendix B) was then taken up.

It was explained that the change required in the original Budget was circulated to all the Councillors in letter No. 1301-10 dated the 26th November, 1919, in which most of the Councillors agreed and that it was laid before the council for formal approval. The difference between the two Budgets was also explained.

Mr. King said that the probable receipts and expenditures of the Co-operative Press should have been included in the Budget. It was explained that as the Press had quite a separate and direct transaction with the Provincial Bank up to December last the estimates had not been included in the Budget but the matter formed a separate item of discussion as noted in the agenda for which separate account was presented. It was also explained that as the account of the Press had since been amalgamated with the account of the Federation it will be done so in future.

It was resolved :—

That the revised Budget of the Federation as presented be passed but the estimated receipt and expenditure on account of the Press should be included in future.

8. The Governor explained that the Press is managed by an advisory committee consisting of

Chairman :

- (a) Mr. E. Hill, Superintendent of Government Press

Members :

- (b) Rai Sahib Raj Prakash Narain Councillor of the Federation.
- (c) Babu Mathura Prasad, Hindi & Urdu Translator to Govt. of Bihar and Orissa, Patna.
- (d) Babu Jagdamba Prasad, Bhatnager.

Hon. Secretary :

- (e) Babu J. N. Chatterji, Head Assistant, Government Press.

As for the condition of the Press he presented a rough statement of the assets and liabilities (appendix E) of the Press as it stood on 1st May, 1920, and said that Babu Raj Kishore Verma wanted to terminate the agreement and that for this purpose he was paid a sum of Rs. 2,300 in cash and after setting off some other moneys due from him the balance of the price due to be paid to him stands at Rs. 1,145. The Governor also explained that the Press was not making any appreciable profit. He therefore wanted to re-organise its affairs by introducing piece system among all the Compositors, Distributors, Pressmen, etc., and by installing machine press and wanted to meet the liabilities of the Press by raising shares. He therefore suggested that the Press be placed on share basis and every Central Bank may be asked to purchase share worth Rs. 100 and every society worth Rs. 5. The Federation may also have a share in it and with the money thus raised the liabilities of the Press be paid off. The Press will continue to remain under the direct supervision of the Federation. He also explained that the Press be allowed a cash credit account with the Federation up to the limit as may be sanctioned by the Council in its Budget year after year. It was also explained that the hand

presses with which the work of the Press were carried on was unsatisfactory, more expensive and lead to undue delays. He therefore proposed that a machine press be purchased at a cost of about Rs. 9,000. The Governor after explaining all these drew the attention of the Council to the high finances which the press required and wanted their decision. He also said that once the Press is equipped with all its requisites in full he was quite sanguine it would never work with a loss, rather would yield good profit and facilitate the discharge of the growing works of the Department.

Mr. King opposed the change of the constitution of the Press and of its being placed on share basis and suggested that the aid of the Government be sought for. The Governor explained that the question of free accommodation of the Press in one of the buildings in the old opium factory at Gulzarbagh which is vacant is pending the decision of the Government since December, 1918, and he was not in favour of moving Government for further aid.

The question was discussed at length and the Council came to the conclusion that in order to relieve Government Press of the work of printing forms and registers for Co-operative Societies the Federation had incurred liabilities of Rs. 13,000 and had expended over Rs. 24,000 for maintaining a press but as the Federation cannot meet this expenditure out of its present income it was resolved :—

That Government may be requested to (a) provide a house for the press and (b) to make a non-recurring grant of Rs. 20,000 to enable the Press to secure new printing machine according to the estimate prepared by Mr E. Hill and also for working capital.

9. The Governor explained that the first Council of the Federation had authorised the opening of a cash credit account to the extent of Rs. 15,000 with the Provincial Bank but as owing to the amalgamation of the account of the Press with the Federation it was considered that the limit of 15,000 would not serve the purpose it was raised to 20,000 and he suggested that the increase of the cash credit account be confirmed.

It was resolved—

That the increase of the cash credit account of the Federation with the Provincial Bank from 15,000 to 20,000 be confirmed.

10. Among the subjects other than those set forth in the

notice, letter dated 13th May, 1920, from Rai Sahib Rajprakash Narain was laid on table, the important point for consideration being the change of by-law No. 10 of the Federation. The Rai Sahib suggested that instead of vesting the management of the Federation "in a Governor and an advisory council" it may be vested "in a Governor in Council." The Governor explained that the question was finally decided in the last Congress and that as there was already a provision in by-law 12 (b) binding the Governor with the decision of the Council there was no necessity for any change.

11. Registrar's D. O. No 1850 C. S. dated the 13th February, 1920, about the rate of interest to be charged by Central and Provincial Banks on deposits could not be considered as the opinion of all the Central Banks had not been received. With a vote of thanks to the Chair the Council was dissolved.

APPENDIX D.

Revised Budget of the B. & O. Co-operative Federation for the year 1919-20.

RECEIPTS.

1. Government Contribution—	Rs.	Rs.
Non-recurring Grant ...	15,000	
2. Contribution from Govt. for Societies ...	21,467	
	—————	36,467
(a) Non-agricultural @ 4½% on working capital of Rs. 2,88,133	720	
(b) Agricultural Societies @ 6½% on the net working capital of Rs. 19,04,831	7,143	
(c) Central Banks @ 4½% on net working capital of 18,11,460 ...	4,603	
	—————	12,466
3. Affiliation fees from 2044 agricultural societies at Rs. 2 each ...	4,088	
94 Non agricultural societies at Rs. 2 each ...	188	
31 Central Bank @ Rs. 25 each ...	775	
	—————	5,051
4. Annual contribution from 31 Central Banks @ Rs. 25 each ...	775	
	—————	54,759

EXPENDITURE.

	Rs.
1. Salaries ...	19,452
2. Provident Fund ...	539
3. Privilege Leave ...	411
4. Contingencies ...	1,500
5. Typewriting ...	400
6. Stationery ...	600
7. Books and Publications ...	600

	Rs.
8. Liveries	240
9. Furniture	772
10. Travelling Allowance	12,100
11. Grain compensation Allowance	2,208
12. Miscellaneous & unforeseen	937
13. Minimum available balance to be invested separately for meeting the expenditure of bonus and advances for bonus to employees ...	<u>15,000</u>
	<u>54,759</u>

APPENDIX E.

A Rough account of the position of the Co-operative Press on
1st May, 1920.

LIABILITIES.

1. Due to be paid to Babu Raj Keshore Verma	... 1,145
2. Due to Federation ... ...	... 24,430
3. Special Reserve ... ...	... 112
4. S. C. Jha & Co., Allahabad price of type	... 1,060
5. Establishment etc. ... ...	... 350
	<u>27,097</u>

ASSETS.

1. Tools and plants taken over from Rajniti Press	... 3,305
2. Blank papers Stock ... ...	... 4,600
3. Tools and plants purchased by this Press	... 3,013
4. Savings Bank Account ... ...	... 241
5. Bills outstanding ... ...	... 5,730
6. Printed Books and forms in stock ... ...	... 5,300
7. Permanent advance ... ...	... 800
	<u>22,989</u>
8. Types ... ...	... 4,925
	<u>27,914</u>

THE ITALIAN POPULAR BANKS

[*From the International Review of Agricultural Economics,
Rome.*] |

The popular banks are, with the rural banks, the fundamental organs of Italian co-operative credit. Although they are predominantly urban they all afford aid on a large scale and in various ways to farmers to whom in 1908 they lent the important sum of nearly five hundred million *tiras*. In a valuable publication, issued in 1911 by the Ministry of Agriculture, Industry and Commerce with the help of the Popular Banks Association, and examined by us in our issue for October of that year, the progress made by these banks in the ten years between 1899 and 1908 was amply illustrated with abundant statistics. No official publication on this subject has since appeared, but an interesting report presented by a councillor of this association to the commission for the organization of after-war credit enables us to enlarge our knowledge of the organization and the functions of the popular banks, and better to appreciate their effective contribution to national economy in recent years.

I. NUMBER, MEMBERSHIP AND SHARES.

On 31 December, 1908, the date of the last official statistics, there were 736 popular banks of the Schultze-Delitzsch type, adapted by Signor Luigi Luzzatti to the special conditions of Italy. To-day co-operative banks, large and small, reach the number of about 800. Scattered over all districts they are particularly numerous in the north where, especially in Lombardy and Emilia, there are some which are powerful. Not a few have in the less important centres numerous branches and agencies which contribute to radiating and spreading the work of the central office, connecting it with much local business. The importance of these

secondary offices is such that they may be considered to be real autonomous institutions, and the most suitable agencies for bringing the available surplus of urban credit into the agricultural centres.

In districts in which agriculture and credit have not reached a high degree of development the co-operative banks have also been able to arise and to prosper, rendering the most useful services to the population. The oldest are those of Milan, Cremona and Bologna which arose in 1865 and were the first manifestation of co-operative energy in the field of credit in Italy.

The variety of the elements which compose the banks is noteworthy and characteristic. Among the members are numbered large and small farmers, journeymen, agricultural labourers, small and large manufacturers and dealers, workmen, employees and members of the liberal professions. The largest contingent is however furnished by the humblest classes of the population who can by acquiring a single share join their local co-operative society and procure all the direct and indirect advantages of credit. According to the statistics of 1911, in fact, 23 per cent. of the members were small manufacturers and traders, 22 per cent. small farmers, 17 per cent. employees and professional men. The other classes were represented by far lower percentages : large farmers by 6 per cent., agricultural day-labourers by 5 per cent., large manufacturers and traders by 3 per cent. The proportions between the various classes of members vary little from year to year. The fact that in the same bank farmers and manufacturers are brought together makes it possible to grant credit to farmers for comparatively long terms and large sums.

The shares are of a nominal value which varies from a minimum of 5 *liras* to a maximum to 100 *liras*. The average value which admits a member to participation in the capital and reserve fund is generally rather low, even in the districts in which are the most important popular banks. Every speculative tendency is thus excluded, while the genuinely co-operative character is confirmed even of these popular banks which by a union of many small forces have been able to compete in powerfulness with the largest speculative banking institutions.

RESOURCES OF THE POPULAR BANKS.

The popular banks do business mainly with the capital which reaches them spontaneously (shares and deposits), and in a secondary degree with the resources they secure by discounting paper and contracting loans.

The figure representing their share capital is not very high, partly, perhaps, because the value of a share is only nominal and because the right to vote is limited, whatever by the number of shares held, and also because a provision in the Italian commercial code forbids anyone to have a share of more than 5,000 *liras* in a co-operative society. Some popular banks however had on 31st December, 1917, attained to enormous sums as capital, that of Milan to 10,314,050 *liras*, that of Novara to 9,331,300 *liras*, that of Cremona to 3,448,050 *liras*, that of Pavia to 2,000,000 *liras*, that of Bologna to 1,608,510 *liras*, that of Padua to 1,353,825 *liras*, and those of Genoa, Mantua, Modena, Ferrara, Rovigo, etc.

Side by side with the capital, reserves are very important. They are formed by attributions of a notable part of the profits ascertained at the end of every year. There are banks which have by long years of wise and prudent management constituted funds of which the total exceeds the society's capital. In some banks capital reserves are distinguished from reserves providing against fluctuations in the value of securities and against misfortune. As to the employment of reserve funds, some banks use them for their ordinary business while others invest them in State securities, securities guaranteed by the State, or other securities.

A prominent function which the banks have discharged with increasing success is the most eloquent proof of the great confidence they inspire in the population, especially the middle classes. This is their collecting of trust deposits. These deposits are in forms which vary with place, time and the position of the depositors. Members of the middle class who are not in trade entrust their savings to the bank in the form of savings deposits of small savings; traders and manufacturers prefer deposits on current account by means of cheque; religious and philanthropic bodies and workmen's and mutual aid associations deposit their receipts and receive from the banks interest-bearing bonds falling due at fixed dates. This variety of deposits contributes to giving elasticity to business.

In all the banks the figure representing trust deposits largely exceeds the combined capital and reserve funds, which allows the activity of the banks to be ever more various and fruitful. From the appendices to the Minister of the Treasury's financial exposition it appears that the deposits of the co-operative popular banks which amounted on 30 June, 1914, to 703,498,475 *liras*, has risen on 30 June, 1919, to 1,423,739,540 *liras*. The deposits of the popular bank of Milan reached the sum of 80 million *liras*, those of Cremona exceeded 70 million *liras*, those of Bergamo 35 million *liras*, those of Mantua 33 million *liras*. As the report already mentioned justly observes, this increase of deposits constitutes a notable advantage for the banks, but also imposes duties, ever-more onerous, on their managers, rendering advisable those forms of investment which, while they ensure a profit to the bank, allow the highest degree of liquidity to be preserved and the demands of depositors to be met at any moment.

Another kind of transaction which has rapidly spread among the banks is that of issuing drafts. The popular banks issue these with increasing success, making use for their circulation of many correspondents on every money market.

BUSINESS OF THE POPULAR BANKS.

All the kinds of capital of which we have spoken derived principally from paid-up shares, reserves and deposits, are used by the banks for their credit business, which consists of loans on bills and discounts, loans on current account, advances on securities, goods and articles of value, and the carrying over of stock.

The employment of capital which has most importance, as regards its profitability to the various classes of the population is that of loans on bills and discounts. These represent the most lucrative, rapid and varied investment which the popular banks can find for their available funds. If they are wisely accorded and distributed they contribute to a rapid and easy increase of the societies' economic prosperity and welfare. The balance-sheets of the popular banks show that enormous sums are in this way distributed among the different producing classes, and they are as much as possible divided up among numerous clients.

Commerce, industry, agriculture, crafts, the most various forms of production, individual and collective labour : all have been fed by popular credit.

The help which the popular banks gives to the farmers who are their members and clients is particularly noteworthy. As has already been said, nearly a thousand million *liras* in loans and discounts were granted to farmers in 1908, but they have also received other forms of credit from the popular banks--current account, secured bills, mortgages and securites, mortgage loans, advances on pledged goods and provisions. Very often a farmer's soundest economic initiative has been inspired and supported by the direct intervention of the popular banks.

Some of the richest banks, like those of Milan, Bergamo, Cremona, Lodi, Mantua, Pavia, etc., have made and make notable loans to other societies, particularly to co-operative agricultural societies, rural banks, collective leaseholding societies, dairy and cellar societies, and co-operative production and labour societies. There is no kind of agricultural or urban co-operative society which is not subsidized and encouraged by the popular banks. Their relations with mutual institutions of all kinds are equally widespread.

The considerable number of transactions into which loans and discounts are divided shews how small and medium loans are always preferred to large loans, individual to collective bodies and co-operative to joint-stock societies.

The Italian popular banks have from the beginning used interest-bearing bonds falling due at fixed term, and have thus been able to enlarge their business so that it includes loans to farmers which mature in longer terms than is usual. In making investments of this kind, they preceeded foreign institutions of the same type.

Their unguaranteed loans (*prestiti sull'onore*) are characteristic of them, being loans of small sums, preferably to workmen, on no other security than the borrowers' work and honesty.

Their work for the improvement of social and economic conditions within their spheres of activity is especially noteworthy. Often their collaboration facilitates the execution of important works of irrigation improvement and public utility generally.

The increasing abundance of available funds and the present needs of industry, trade and agriculture have necessitated new forms of investing capital, while the freedom conceded to popular banks for their business has contributed to the fact that each institution has been able to prefer particular forms of investment in accordance with particular local conditions.

Thus we learn from the last reports on balance-sheets that the two great Milanese co-operative institutions (the Banca Popolare and the Banca Co-operative) increasingly invested in advances and loans of public and industrial securities of the first order, and that the popular bank of Novara continued to make large investments in loans guaranteed by mortgages and in agricultural loans. In the field of agriculture, according to the last report, the constant effort of farmers to intensify production and overcome the numerous difficulties arising out of the war gave satisfactory results, showing that "the country did not place its highest hopes in agriculture in vain." And the popular bank of Cremona, with its enormous deposits, continues to encourage "that wonderful progress in agriculture" which is making the province one of the first in Italy. The same remark is made as to the popular banks of Lodi, and those of Pavia, Modena, Bologna and Ferrara, which last have by large advances to hemp-growers greatly helped the agricultural class to resist and overcome the crisis on the market. Other banks continue to encourage the autonomous and co-operative institutions for popular dwellings, and almost all of them give liberal aid to the autonomous consumers' associations, the rise of which has, to the general benefit of the consuming class, been provoked by the local administrations.

4. FEDERATIONS.

Having noticed the constitution of the popular banks and their chief functions for the benefit of national economic, we will pass to a brief consideration of those federations which have contributed to keeping these banks united, co-ordinating and strengthening their work. Among them we should notice, first of all, the Associazione centrale Banche Populari Italiane which was instituted as early as 1876 by Signor Luigi Luzzatti and aims at founding

institutes of popular credit, safeguarding their interests, examining and discussing economic, administrative and legislative questions regarding the organization of this credit, and collecting and publishing statistical data.

The association's first care was to study the type of co-operative credit society most suitable to the national genius and the country's needs. That type was chosen which observed the two essential principles of undenominationalism and freedom of constitutional form, a preference being given to limited liability societies. Besides circulating the model rules of a society of this type, the association in every particular case indicated what business a co-operative bank could undertake in accordance with the conditions of its district and the needs of an urban or agricultural population which it had to supply.

In order better to attain to its aims it supplies registers and forms for book-keeping and the noting of statistical data, and manuals, guides, general and special instructions, and comments on laws and rules, and it gives legal advice on questions submitted to it and keeps up a continuous and most varied correspondence with the affiliated banks.

There is mention of its action on the occasion of the reforms of the Italian commercial code with the object of bringing co-operative societies within this code, with the necessary regulations. If judgments in fiscal or other matters are given for the banks or against them, and are such that the establishment is to be feared of a jurisprudence inconsistent with the principles upon which co-operative credit is organized the association protects the federated banks' interests through the medium of a trustworthy legal expert.

From 1877 onwards it held seven national popular credit congresses, took part in the compilation of the various official statistics of the popular banks and, from 1880, published its periodical, *Credito e Cooperazione*, in which all questions relative to credit of this type are treated.

In 1912, the association promoted the constitution in Venice of a special popular credit institution, intended to fight usury by means of the small loans guaranteed only by character which we

have mentioned. This new institution developed until 1917 and succeeded in fulfilling its purpose.

The association's work for all the co-operative banks' cause became however particularly apparent in 1913, when it made a strong and effective opposition to the ministerial bill which aimed at making compulsory the State inspection of those credit institutions, generally, in which the deposits amounted to more than three times the capital and reserve funds. The association then undertook the defence of the freedom of co-operative banks, admitting the necessity of supervision, but maintaining that the supervision to which the banks would freely subject themselves would suffice, and excluding all government intervention of any kind, especially where the investment of money was concerned.

For brevity's sake we will not speak of the association's other useful work and varied ways of helping the societies. They are fully dealt with in the periodical *Credito e Cooperazione*. We will however notice that on 31 December, 1917, it included 67 banks which represented a total paid-up capital of more than 40 million *liras*, reserves of more than 31 million *liras*, and trust deposits of more than 551 million *liras*. The available funds of the popular co-operative institutions united in the old association therefore amount to more than 600 million *liras*.

In order to unite the co-operative banks by yet closer ties the Federazione fra gli Instituti cooperative di credito was formed in 1914 with a federal bank at first situated in Milan, annexed to it for the transaction in common of credit business. From the report on the fourth year (1917-18) it appears that on 31 December, 1917, its adherent institutions numbered 39, almost all of them being situated in Upper Italy. They represented a total capital of 35,519 *liras*, reserves amounting to 26,606,819 *liras* and deposits amounting to 503,020,830 *liras* so that the total sum of their available funds was 565,147,408 *liras*. The 39 banks and their 170 branches, scattered even in the smallest places, to-day constitute by means of the federations a great force and represent a unique and vast national banking association. The adherent banks have kept their entire autonomy and local character, but on the other hand they contribute to the formation of this new and important organization which is able to carry out any credit under-

taking and which offers to its clientele those aids and advantages which have hitherto been the privilege of the great financial institutions. The federal bank constituted with a capital supplied by the individual federated banks, is also gradually completing its organization. The total work which it has accomplished for members by various kinds of business—carrying over stock, buying and selling bills of exchange, receiving and paying money—covers a sum of more than 93,000,000 *liras*, to which should be added 26,000,000 *liras* for business with correspondents and clients.

LABOUR CO-OPERATIVE SOCIETIES.

The labour co-operative societies represent one of the most original forms of Italian co-operation. Formed among workmen, especially among labourers in the building industry, they arose with the principal object of withdrawing labour from the yoke of common contractors and themselves accepting contracts for public works directly. In certain districts—Emilia, Romagna—where there is an excessive labour-supply, they also aim at lessening unemployment, by obtaining the concession of works from the State and distributing the accompanying employment. These co-operative societies undertake by preference the making and upkeep of roads, bridges and canals, the construction of water-works, the execution of works of land improvement and irrigation and the arrangement and transformation of lands, etc. Their development has been much helped by the passing of the special laws as to the contracts of co-operative societies which we examined in our issue for November, 1914. Two recent decree-laws allow them to expand and increase their activity, namely, the lieutenancy decree, No. 107, of 6 February, 1919, which makes rules for the execution of public State works, and the lieutenancy decree, No. 461, which regulates the concession of works of improvement to societies and individuals.

The first of these decrees amends existing provisions touching this matter with the aim of facilitating the execution of public works of the State, simplifying the procedure of expropriation, the conclusion of contracts and the granting of official approval, extending the competence of technical agencies, and making possible the desired revision of prices for works of which the execu-

tion is lengthy. It also introduces important facilities with regard to granting credits to the contracting firms and making consequent payments.

Articles 6 and 28 provide for co-operative labour societies. The former article lays down that the maximum value of a contract which can be ceded, by auction or private treaty, to a co-operative production and labour society or an agricultural co-operative production society is 500,000 *liras*. In the case of federations of co-operative societies this maximum is 5,000,000 *liras* or double the total sum of the maximum contracts which the federated society may accept. Contracts of a higher value than this maximum may be given to the federations, by private treaty, on the advice of the Higher Board of Public Works if the administration considers that the federations offer sufficient technical and financial guarantees.

This decree, while it notably raises the maximum value of the contracts which may be given to these organizations, allows, as has been seen, by means of auction and of private treaty (1), a wider extension of their activity.

The second decree mentioned more especially concerns works of improvement and refers to the lieutenancy-decree of 8 August, 1918, No. 1256. It encourages and facilitates concessions of contracts, simplifies technical procedure and the granting of official approval, regulates relations between owners of land to be improved and the concessionaries of works of improvement, etc. This decree contains no special rule in favour of co-operative labour societies, but the sum of its rulings will allow associations of this kind to take contracts for the works in question, which will, when agricultural improvements are united to works of hydraulics, give many members of co-operative societies the opportunity of establishing themselves firmly on the land and transforming themselves from simple workmen to farmers.

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I. The annual subscription to the *Bengal, Bihar & Orissa Co-operative Journal*, including postage, is rupees three only for India and six shillings net for foreign countries, payable strictly in advance. A single copy of the Journal can be had for annas eight only.

II. The Journal will be ordinarily issued every alternate month. Short articles and correspondence on Co-operation and allied topics will be welcome. Rejected articles can be returned only if accompanied by stamped and addressed envelope.

III. Complaints about the non-receipt of the Journal should reach the Office within 15 days of the month after the month of issue.

IV. Contributions must be written (preferably typewritten) on one side of the paper and must be accompanied by the full name and address of the writer which will be published only if the writer so directs.

V. All remittances should be sent to Mr. N. C. Bose, Hon. Treasurer, *B. C. O. Society*, 6 Daere's Lane, Calcutta.

VI. All communications (including literary contributions meant for publication in the Journal) should be sent to Prof. P. Mukherji, Hon. Secretary, *B. G. O. Society*, 6, Daere's Lane, Calcutta.

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December 1911.

Editor

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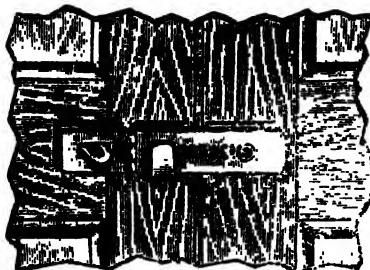
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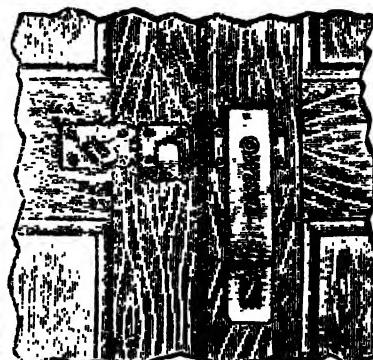
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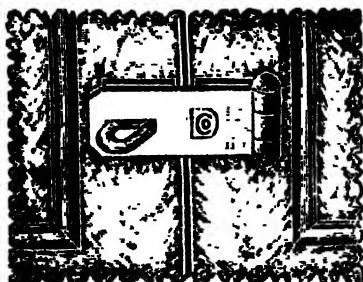
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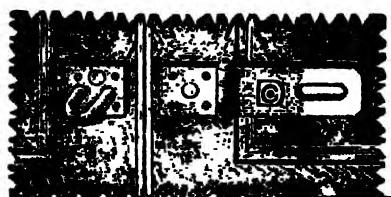
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SEPTEMBER 1920

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Vol. VI

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No. 2

NOTES AND NEWS

It has often been asked whether and how Co-operation will ever be able to grapple with the tangled and large-scale problems of modern business in our great cities. To those who desire to know how Co-operation can undertake the task of "organizing" our large cities and their business side and on what lines it is going to supply a frame for the play of forces of economic life we would recommend the study of some experiments in business co-operation now being carried out successfully in New York. America has not in the past made any remarkable contribution to the progress of Co-operation. But the new movement which we are going to describe will prove abundantly that it has put its shoulders to the wheel at last and that the world will have a great deal to learn from it as regards the application of the methods of Co-operation both to urban organization and to business organization. In view of congestion in Indian cities and the growth of large businesses in them we make no apology for drawing attention to that movement.



The first stage of the New York Experiments opened with the provision of railroad service to small business men and industrialists. Mr. Irving T. Bush has set out to solve the problem

of the traffic difficulties of small merchants and manufacturers by applying the principle of Co-operation. He has also extended these principles to the field of sale where wasteful competition had hitherto ruled supreme. New York had continued to grow with stationary railroad facilities which were confined to one place—Manhattan—which had become the source and destination of the bulk of the city's railroad traffics. This state of things meant enormous cartage charges and a great loss of time for the small business men who were scattered all over the area. Mr. Bush remedied this state of things by opening a Terminal where small shipments were received and the whole of the small traffic was consolidated. As the number of the small traders who joined this Co-operative Scheme increased so also did the volume of their consolidated traffic, their ability to obtain and to load through cars and their capacity to obtain superior railroad service. Four thousand of these small business men have joined the scheme and they now command the services of 30,000 employees.



Another great advantage was that the former congestion of small business men which had taken place at Manhattan on account of the superior railway facilities enjoyed by the place was relieved. There resulted a decentralisation of light manufacturing. The heart of the city is no place for men and women to do industrial work, for the land there is too valuable and there is not sufficient residential accommodation. The incidental relief of congestion in New York is, therefore, no small item to the credit of Co-operation in New York.



Another service was done by Co-operation to the small industrialists of New York in connecting them with the large markets. While the large manufacturers possessed their own sale exhibitions and agents to push the sales of their articles the smaller producers remained without these necessary means of marketing goods. Hence hundreds of up-country manufacturers were unrepresented in New York. For all such people Co-operation has now catered

in a truly royal style. A "Sales Building" has been erected for them at a cost of three million dollars, thirty stories high. Each floor is devoted to exhibits of a single line of merchandise : For example, one floor for toilet articles, one for jewelry, one for infants' wear, three for boots and shoes. Each floor is in charge of an expert manager. Thus the small manufacturers, by this combination, provide themselves, at slight cost, with a sales location and a chance to exhibit and sell their goods such as not even their biggest rival can equal. Given such conveniences and means of reducing the costs of sale and transport *there is no fear that the small manufacturer will be eliminated by the great rival : and this prospect is opened out by Co-operation.* In our country much has been said about the urgency of reviving our cottage industries. The example of New York will show on what lines our co-operators should proceed to secure the prosperity of these industries.



Encouraged by these successes the leaders of Co-operation in New York are going to extend their triumph to yet another economic field. The small retailer is threatened by the success of what Dr. Marshall calls "the massive retail trade". The large "Chain stores" of America are doing their best to crush the small retailer by bringing their goods to the very door of the consumer. Hence, the new scheme proposes to organize the buying power of the small retailer. If several thousand retailers combine in a Co-operative institution they can command a buying power far exceeding that of the largest retailer or "chain-store". At the same time they can preserve the advantages of individually owned shops in their appeal for local friendship and support. A *buying organization of retailers* is about to arise in New York second to none in America. The small retailers will then be able to buy selected merchandise at the lowest possible prices. Here alone lies the salvation of the petty trader whose only chance of survival lies in pitting the power of co-operation against the power of "giant organization."



The question of the application of the Income-Tax to Co-opera-

tive trading was considered by the recent Royal Commission on the Income-Tax and a great many views on the subject were brought into the discussion. Hitherto in England Co-operative Societies were liable to the Income-Tax upon any property that they owned but not upon profits on trading or on investment income. Private traders argued that the growth of the Co-operative movement was fostered intentionally by this exemption and that the whole surplus between cost price and actual prices of distributive societies ought to be charged notwithstanding the fact that a large part of the surplus is returned to the purchaser as "dividend". On the other side the Co-operative Societies argued that the whole of margin between the prices and the cost constitute not profit but a surplus belonging to the members and that no difference is made to the non-taxable nature of the surplus by the fact that a part of it, instead of being returned to the members in dividends is used by them in increasing the society's reserve. The Commission adopted the intermediate view that that part of a Co-operative Society's receipts (if certain expenses have been deducted) which is repaid to members as dividends does not constitute taxable profit, but that that part which is retained by the society does constitute such profit. In a word the Commission recommended that a society should be treated exactly as a limited liability Company trading under similar circumstances and under similar conditions. Such is the decision of the Commission; but we believe that the arguments on the other side advanced among others by Prof. Pigou should have carried more weight with the Commission. Admitting that a Co-operative Society is a legal entity as apart from its members it can yet be held that it is not proper to hold it liable for the Income-Tax. If there were in the United Kingdom a corporation tax levied specially on corporations as such the co-operative societies should have been held liable to the tax. But the Income-Tax is not a corporation tax. In the second place, as Prof. Pigou and those members of the Commission who agreed with him argued, the proceeds of mutual trade are not profits in any sense to the group of individuals among whom mutual trade was carried on. They are no more profits than the payments to a club by its members are profits. The Report has not tried to meet these contentions and we wish that more weight had been given to these arguments.

We congratulate Messrs. Surendra Nath Mallick, Romesh Chandra Sen, Nagendra Nath Banerji and Jogesh Chandra Das Gupta on their success in organizing the Bhowanipur Co-operative Store. At a time when profiteering is running rampant, and prices are not regulated by the cost of production, the organization of co-operative stores all over the country is one of the most effective means of bringing prices down to a reasonable level. We are not blind to the fact that there is at present a shortage of almost all the necessities of life, and as Co-operative Stores will have to make their purchases in the open market the law of demand and supply operates as much against them as against the general public, and we do not look upon Co-operative Stores as the only means of bringing down prices, but regard increased production to be as necessary as equitable distribution for the purpose. But if Co-operative Stores are efficiently managed they ought to be able to bring some appreciable relief to their members. It was not even 6 months ago that Mr. T. C. Roy in his paper on "Co-operation in the new order" regretted the lack of enthusiasm for the co-operative movement among the educated people of Bengal and addressed an earnest appeal to them to identify themselves with the movement. We are glad that a response to his appeal has come and that from people, some of whom have figured prominently in the political activities of the country. We can only wish that the example of those gentlemen will be widely followed in country.



Co-operation aims at the elimination of exploitation altogether from society, but, there are types of co-operative societies from which the motive of exploitation is not so eliminated. A Co-operative Society among producers has for its object the promotion of the interests of its member producers and the society will not scruple to take advantage of the market prices to raise the prices of its members, produce just as traders do. The way to harmonise the interest of the consumers with those of the producers is to bring both within the fold of one society. And we are glad to learn that an experiment on that line is going to be tried in the Backerganj District. Thanks to the public spirit of

Rai Bahadur Mathuranath Sen and Mr. Saroda P. Sen, Hon. Organizers of Co-operative Societies, Barisal, backed by the active interest in co-operation of their Collector Mr. Waddel, an informal Conference was held in the Collector's residence on the 15th August, 1920, to consider the question of a Supply and Sale Society at Barisal on the lines of the existing society at Khepupara in the same District. The Conference was attend by Mr. T. C. Roy, Dy. Registrar, Co-operative Societies, Bengal, and Khan Bahadur Asaduzzaman, Joint Registrar, Co-operative Societies, in charge of the Dacea and Chittagong Divisions. The Conference resolved to start a Society for Sale and Supply and limit its operation to the sadar sub-division in the District. It was decided that there should be two classes of members in the society namely producers and consumers, and when the produce of the former was sold to the latter the sale should be at concession rates.



The ryots of Barisal as in other districts cannot hold back their produce for any length of time and the prices at which traders purchase from them do not bear any satisfactory proportion to the prices at which they sell it. A part of the trader's profits, saved by the society, will go to the member consumers and a part to the producers. The society will thus enable the ryots to obtain better prices for their produce. It will do more. The ryots very often do not or cannot keep a sufficient stock of food-grains for their own requirements during the year. Having sold cheap they have often to purchase dear. The society's concession rates to members will benefit them in their purchases. We hope the organization of the society will not be delayed and it will be soon in a position to start work.



The Organization of the sale of ryots' jute is one of the crying needs of Bengal but not much progress has yet been made in that direction. There are one or two jute societies in East Bengal but these societies are almost as much at the mercy of the capitalist dealers in jute as individual ryots. We are afraid

there is very little chance for such isolated societies and no satisfactory progress will be possible until by the organization of extensive areas, it becomes possible to command a considerable supply. For that purpose it seems necessary to organize whole sub-divisions or districts, if possible. It is doubtful whether organization of small societies one by one and their federation into a central society later on is the best way to proceed in the matter. We have however received a scheme of a Wholesale Society in Calcutta which contemplates small societies in the mossusil. What is proposed is that we should organize in Calcutta a society with a capital of 25 lakhs of rupees divided into 25 thousand shares of rupees 100 each. Membership of the society should be open to co-operative societies for the sale of jute as well as to individual jute-growers and others. There are very few such societies in existence now but once the proposed society is organized and registered, it would not be difficult to form societies in the mossusil, for the only difficulty that stands in the way of such societies being formed is the uncertainty attending the sale of jute, which would be removed considerably by the proposed society. It would be necessary to raise at least 10 lakhs of rupees by the sale of shares to the public before the society can be in a position to start work. Judging by the discussions in the press about the necessity of giving relief to jute-growers, one might expect that the zemindars and other moneyed classes of Bengal would liberally subscribe the shares. The society would arrange to collect jute in the mossusil from the actual growers and from co-operative societies; and should keep regular accounts of the quantity obtained from each, paying to each a certain amount in advance. In the initial stages before rural societies are formed on an extensive scale, the society will have to deal with a large number of individuals, but as in any case account of every transaction has to be kept, it would not entail any additional work, the ledger book being the only additional register that will be necessitated by the proposed arrangement. The society will have a big godown in Calcutta and its agents will transport all jutes purchased to the godown. Being in close touch with the market and having experienced men on the staff, the society will be able to dispose of its jutes to the best advantage. The accounts will be adjusted after the year's sale is over, the

society charging a certain percentage on the proceeds as its commission. From the commission a dividend not exceeding 12½ per cent. will be paid after 25 per cent. is placed to the R. F. and if there is any balance left, it may be spent in giving bonuses to the cultivator members and in such other ways consistent with the Act as the Directors may decide. This is briefly the scheme and we place it before the public for discussion. For ourselves we think there is much in the scheme to recommend it and we should be glad if some men with experience of jute business were to take it up.



Seven new of fishermen's societies were established during the year -four in Bengal and three in Bihar and Orissa. Six of these societies were organised by the District Fishery Officers. The total number of societies in existence at the end of the year was 32 in Bengal and 7 in Behar and Orissa.



In the course of his concluding address at the last meeting of the Bengal Legislative Council H. E. the Governor thus referred to the assistance rendered to the Co-operative Movement by the Public Demands Recovery Act—"The Public Demands Recovery Act was designed to assist the co-operative movement by providing for the recovery of the dues of societies under liquidation by means of the certificate procedure. I am glad to say that the Act has proved of considerable assistance, the Registrar of Co-operative Societies having reported that during the first ten months of its operation the collection of such dues amounted to four times as much as the whole collection in all the years before the procedure was introduced."



The Publicity Officer of Behar and Orissa has issued the following notification regarding the Loan Funds of the Co-operative Societies :—

"Anxiety has recently been expressed concerning the adequacy of the funds at the disposal of the Behar and Orissa

Provincial Co-operative Bank and the Central Banks and it has been suggested that in consequence of heavy withdrawals by European depositors, the available funds are now at a low ebb and that the issue of the 6 per cent. loan by the Government of India will also affect deposits in the Co-operative Banks. It is satisfactory to be able to state that although there have been considerable withdrawals by European depositors the funds of the Behar and Orissa Provincial Co-operative Bank and the Central Banks are at present ample and no difficulty has been experienced in meeting the demand of the Co-operative Societies. It is possible that with the general rise in the rate of interest taking place in all countries the rate offered by the Co-operative Bank to depositors will have to be raised so as to keep a due proportion with the market rate of interest prevailing. At present, however, such a step has not been found necessary."

CO-OPERATIVE SALE SOCIETIES

By MR. H. W. WOLFF.

It does one's heart good to see all this new ferment of agitation in favour of new forms of co-operative activity now in progress in India, of which your issue of May has given evidence, evidently the leaven contained in Co-operative Credit is doing its work.

The applications now particularly favoured appear to be Distribution and Sale. That is as it should be. Mr. Devadhar's glowing eulogy of the apparent "wonders" seen by him on his recent visit to England, and the reports coming to India of the equally marvellous successes of Co-operative Sale in various parts of the world unmistakably have fired people's imagination. By all means let Indians "go and do likewise," as they seem bent upon doing. They stand to gain much. It is only human that in their devotion to the "new love" they should for the moment drop some of their admiration for the "old". But it would be a great mistake to kick the ladder by which one has risen from under one's feet at the very time when one still has urgent need of it. Pray let Indians bear in mind that in every country people naturally and wisely begin practising Co-operation at the one point at which it promises them most immediate benefit. In Great Britain a large industrial working population found itself outrageously cheated and robbed by its trading *banias*, and at a lamentable disadvantage in comparison with other folks for want of capital of its own. Credit would have been of no earthly use to it. Neither production nor sale. It had nothing to sell; and it stood in no need of borrowing. It drew its regular wages. But it wanted cheap living and a convenient savings bank. Distributive Co-operation gave it both. In France working men were more after Emancipation. And they took to production for the sake of self-employment. In America the oppressive *banias* were the Trading Rings

and the Railway Companies. Accordingly the defrauded farmers applied themselves earnestly to Co-operative Sale. In Germany and France small cultivators just as has happened in India—felt their great and most urgent need to be that of Credit. And Credit accordingly they practised-making it to lead on to the full array of services which co-operation is now so richly bestowing upon them in a variety of forms. Distribution, Supply, Sale, Education—all has followed in its proper order in the wake of Credit, and these small farmers are served as they never were before.

By all means, then let us follow their example! Having begun with the most urgent need, let us expand, but let us be careful to avoid one-sided Co-operation. Human Economy is many-sided as the human body is many-membered. And there is not a side, any more than there is a member, which does not call for special consideration, as discharging an essential, indispensable function. But in its one-sided application every form has its own weak points as well as its strong-- what in human character are called “the defects of its qualities”. I will not here point out the several defects; but they are plainly marked and greatly damaging. In all things there wants to be a balance. It is the seven colours of the rainbow, which in their combination produce the clear white light.

Evidently what in India at present prompts the keen desire evinced for Co-operative Distribution is the tale of the “wonders” coming to the country from Europe. Rightly so. But are conditions in India under this aspect really comparable to those prevailing, say, in Great Britain? In Great Britain you have a huge, dense mass of industrial workingmen, “well paid”—thoroughly well paid at present—“artisans”, as the late J. C. Gray. At the time the honoured General Secretary of the Co-operative Union has described the lot of distributive co-operator—with well filled purses and large wants, for domestic purposes. Can India—for the present—“go and do likewise” with its scattered, moneyless rural population, of which a little paddy supplies the wants of the inside, and a little cotton those of the out? I sincerely hope that you will before long have richly developed distribution. It is the best foundation for a general Co-operative

distribution. It is the best foundation for a general co-operative development. But the proper advance to it appears to me to lie across Agricultural Supply, to teach the principle and accustom people to its practice. *There* you have unmistakeable large and constantly growing wants, which clamour for satisfaction. That will provide the necessary custom for success. And it will teach your people the value of Co-operative Supply, of which what is now called "Distribution" is only a form. And moreover it will, by increasing their wealth and raising—as Professor Stanley Jevons rightly desires—its "standard of living," produce the larger demand for domestic requirements that Co-operative Distribution stands in need of, and the means for satisfying such. I judge Mr. Devadhar and his friends to be thoroughly right in pleading, as they are doing in India, for an early establishment of a Wholesale Society. You have excellent models to follow both in Great Britain and in Ireland. Your fancy appears to have been particularly caught by the Irish Society.

'And you could not have a better model. I only wish that you could find an Indian Harold Barbour to preside over it and lead it to triumph. You appear to want a Wholesale Society—in fact several, at first provincial and eventually an All-Indian—more particularly in the early stages, mainly as a link with Manchester. I look upon that as the first necessary point. Manchester can supply you with probably all, or at any rate most, of the goods that you stand in need of at present. And I know it to be willing to deal with you, if your societies will only take up the connection in a business like manner—which one or two societies communicating with it have not altogether done. Your internal development will follow as a matter of course as you proceed.

However, highly desirable as distributive societies may be, Sale Societies are probably even more so. For distribution you have the demand still to create. In respect of sale you have got it. For you have the goods that you want to sell. And the quantity of them is growing.

What, then, is it that you want, to organise Co-operative Sale successfully? You talk of "Sale Societies". You need them, because there can be no Co-operation, or instruction for such, with-

out an organising and instructing body. But do not expect too much of such societies. They can only organise. The real Battle will be a "Soldiers' Battle" dependent upon the work of members.

First, then, you necessarily *must* have Credit. The bania's superiority over yourselves lies only partially in his knowledge of the markets and the trade. He has money with which to hold over goods and await a "boom". You have to sell as the crops ripen, which means, as a rule, at "slump" point. You, too, will have to be able to hold over goods, and to satisfy your members with advances in the interval. Then do not neglect Credit.

Next, you *must* have "bulk". And, having bulk, you must also have a steady dependable supply of marketable goods, fully appropriate to their several markets. You cannot establish a profitable and dependable sale in small quantities. Those lucky hits at Mangalore and Calcutta (from Khepupara) that Professor Mukherji speaks of in your number of May, are not to be relied upon. You hit it off once. You will find yourselves disappointed twenty times - especially when the *banias* set to work to counteract you and put a spoke in your wheels, which is an easy enough thing for them to do. You will succeed only if you leave as little as possible to chance. The Danes, supplying England, have a well and minutely organised service advising them daily which will be the proper markets for delivery, so as to avoid overfulness at one point and over emptiness at another. In the United States there is a highly organised telegraphic service spread out over the entire immense country, to enable sellers to direct their goods to quite the right places at precisely the right moment--with the option given them of redirecting their cargoes while *en route*. It is that which makes the sale successful.

All this means, that, not only do you want to secure a sufficient number of members to ensure "bulk", but you also want to keep them under discipline, above all things that you will have to tie down your members securely to the delivery of all their available produce to the society, at any rate for a certain time. If you do not do that, your society is likely to find itself doomed. The most successful Sale Societies abroad are the most exacting in this particular. Without such insistence the *bania*, who will anyhow

do his outmost to deter the public from dealing with you, will willingly obstruct you by offering excessive prices for the moment to your members, either for all their produce, or for the pick, leaving you with the rubbish, that you cannot get rid of—so as to kill your society—after which he will amply recoup himself by plying his re-acquired monopoly and fleecing you to an intrensified tune.

But that is not all. "Bulk" is not enough. You also want *uniform produce*...."Bobbery" selections won't sell. You want to establish a name for one particular article, or, at any rate, of several all equally well known to the market.

And even this is not enough. You want *quality* as well as *quantity*. Your produce must become known to be of dependable quality. That is how the Danes and the Americans have established their successful business. The produce brought to market wants to be examined and standardized-- whatever it may be, whether grain or cotton, or fruit, or eggs—everything. In America, people began with standardizing cotton and grain. The practice was found so successful for both buyers and sellers that it soon came to be extended to practically all produce. And the sale is the better for it. That means, among other things, that you must, by discipline, keep your members studiously up to the mark in respect of quality. That ensures custom. Hence Dutch "Butter" and "Cheese Control" - the former of which has been adopted also in Ireland---and American verification of "standard" by official examination. German granaries have by this means developed their grain dealer to a specialised trade, commanding "pedigree" prices. American fruit societies, also grain societies, flourish upon it. In Germany the matter has been carried to this point, that even live stock has in some cases been dealt in unseen. The desription given was taken as sufficient.

If you will adopt these practices, on business like lines, you may consider yourselves certain of success. Please bear in mind on how very much better a footing agriculturists are in this matter placed than industrial producers. Their produce can in any case count securely upon a sale. There may be a question of price. But the goods will be sold. And the difficulty about price you can, within certain limits, overcome by organisation, the selection of

competent officers and of the proper markets. Please go on, we shall before long see Co-operative Sale adopted in India on a large scale. And the whole country will be the better for it, more particularly the ryot population.

"INDIAN CO-OPERATIVE STUDIES"

[EDITED BY R. B. EW BANK, I.C.S.]

By PROF. J. C. COYAJEE

When Dr. Johnson was asked his opinion about the merits of a dinner of which he had heartily partaken and which he had keenly enjoyed he answered "Sir it could not have been better prepared, had a synod of cooks been consulted in the matter." We have come to a similar opinion about the book before us after a close perusal of it. In the present case, indeed, Mr. Ewbank did convene a synod of Indian co-operators, in a sense, and has pooled their intellectual resources and experience. Mr. Ewbank has rendered many and great services to the cause of Co-operation in India and he has now crowned his achievements in that line by publishing a work which is meant to "assist the future voters and legislators of India to form sound and independent opinions upon such co-operative questions as come before them." There are numerous controversial points in our practice of Co-operation awaiting final solution—a solution which in the last instance time and experience can alone supply but in the discussion of which the present work written by experts on topics to which they have devoted special and prolonged study would prove of very great value. We recommend every student of Indian Co-operation to purchase and study the work. Meanwhile we shall follow our own advice and proceed to get light on some disputed points from "Indian Co-operative Studies."

In the first Chapter Mr. B. A. Collins gives a lucid and comprehensive explanation of what the problems of rural life in India are and how Co-operation can help to solve them. In the second, Mr. Calvert studies the prevailing types of rural credit societies and here we are at once on controversial ground which the writer traverses with the ability which is only to be expected from

him. We can note here some of the good things which the essay contains. The first thing that strikes us is the excellent analysis of the nature and functions of the Reserve Fund, which follows closely Mr. Wolff's *dicta* on the subjects. It is described as "a buffer between the property of the members and the demands of unsatisfied creditors." The reserve fund, of course, has other functions as well. It is meant to meet occasional deficiencies of various kinds, to supplement working capital, and finally to serve the part of an "Endowment Fund." Mr. Calvert thus explains its present character and future importance: It is the real capitalisation of character in as much as its existence means that members are not throwing any burden upon it by defaulting. At present imperceptible, its influence will gradually transform the whole economic aspect of village debt and credit, for it is only a matter of time before there will be accumulated a sum sufficient for all the current needs of the members, and therefore interest on loans will no longer constitute a drain on the community. As Laizzati or Wolff would put it, it is to be "a fund collectively owned, collected out of the surplus funds resulting from, in themselves fruitful, transactions, the blessing left behind by other blessings." Mr. Calvert is not afraid to deduce the final corollary from his reasoning and to draw attention to this peculiar feature that "Co-operative Credit as practised in India tends to abolish Co-operative Credit."

We would also recommend to our readers a study of Mr. Calvert's views on the advisability and difficulties of the share-system in the organization of societies. That the author has broad sympathies with different schools of co-operative thought as well as wide intellectual outlook is shown by the concluding sentence of the essay. "In practice it is of little moment whether this thrift takes the form of small share contributions or of an excess in the interest charge or of a combination of both. Some capital owned by the society is necessary, and where shares are not contributed, this must be built up out of a higher margin of interest."

From Mr. Ewbank's masterly article on 'Guaranteeing Unions' we took occasion to quote in the last number when discussing Mr. Wolff's views about them. Mr. Ewbank goes to the

heart of the matter at once by pointing out the dangers of entrusting to Central Banks the functions of supervision and teaching as well as of finance. The necessity for unions of the institution of some sort having been thus demonstrated, the writer of the article argues that banking unions will not do for India as they require exceptionally competent men to manage. He then turns to supervising unions and shows that it is doubtful whether they can meet the great need of helping central banks to assess the credit of borrowing societies. Consequently, Guaranteeing Unions alone can meet the requirements of Indian conditions. Perhaps, however, Mr. Wolff would object to the second step in this argument and deny that it is any part of the duties of unions to help central banks to assess credit. As Mr. Wolff observes in his recent book on "Co-operation in India" the "Central Bank desiring to be made the pivot of the whole system and practically direct local credit but having discovered that at its distance from the localities to be dealt with it cannot sufficiently gauge local conditions, by this means obtains a guarantee which it considers practically good enough, without necessitating further trouble."

Nevertheless, on its own side of thought Mr. Ewbank's vindication of Guaranteeing Unions will always retain the *locus classicus*. Nowhere else have we come across such a strong case made for these Unions nor such an instructive account of their organization and activities. To the objection generally taken as regards the interlocking of liability Mr. Ewbank answers that even in the case of the Central Banks some interlocking of liability is bound to take place. If it is argued that members of unions might be tempted to be too indulgent to the defects of each other, Mr. Ewbank rejoins that a similar objection might be urged to practically all institutions organized on a democratic basis. As to the future development of the union organization Mr. Ewbank has some pregnant remarks which deserve to be quoted in full. "They will then take the third step and demand a federation of unions, in which the delegates of Central Banks and other types of Co-operative Institutions within their districts will be represented. In Burma this stage has already been reached in several districts, and district agricultural and Co-operative Asso-

ciations have been formed as federations of unions, to discuss questions of policy and general interest, to serve as the central authority in a district for questions of Co-operative Administration, and to act as a link between the Co-operative Organization and the general administration of the country as represented by the Deputy Commissioner. The last stage will be the provincial Co-operative Council to which every district association will send its representatives."

Another noteworthy contribution is Mr. Joshi's article on Co-operation among Factory workers. It discusses, among many interesting matters, the nature of the liability of the members which should be a compromise between the two kinds of liability--the limited and the unlimited. It also enumerates and examines the claims of the various nexuses of factory societies--residence, place of employment and the native place of the workers. Suggestions of value are made as to the management of such societies, the means of obtaining capital, as well as about the problems of stores, insurance and housing. Good advice is given to the employers who are told that there is no connection between strikes and workmen's organisations. We would however take exception to Mr. Joshi's contrast between the spirit of Co-operative Societies and that of Trade Unions and to the assertion that "trade unionism is a movement based on conflict and hatred". There is room both for Co-operative Societies and trade unions in the evolution of working classes.

The present writer cannot be expected to sit in judgment on his own contribution on "Urban Banks." The main lines of Co-operative policy laid down in that essay might, however, be briefly recapitulated. If our urban banks are to multiply and to fill the vacant space left between joint-stock banks on the one hand and agricultural credit banks on the other, they require a more vigorous principle and rate of growth. Hence suggestions are made as regards the lines on which our urban banks can be multiplied. Besides increasing their number means have to be adopted to improve the organization and to increase the momentum of our urban system of banks. With this object in view it is proposed to start a new series of Central Urban Banks. Finally, suggestions are offered about the improvement of the machinery of

management of our urban banks. Hitherto there has been little difference made between the machinery of urban banks and that needed to manage the affairs of the simple rural credit societies. But if our urban banks are to attain the size and organization which are required to enable them to take their proper place in the banking system of India, we should look to it that they are equipped with a machinery of management adequate for their task. The present mechanism just suffices for very small scale banks, but is entirely inadequate for any development either of size or in the complexity of business.

In the article on "Co-operative Finance and the Money market" Mr. Collins shows the strong financial position of our co-operative system. He puts in a plea for its connection with the general money market which will enable it to avoid the expense of massing huge unused reserves at its apex and to some extent also the complication of seasonal demand and surpluses. He also appeals for an access to the unexpended balances of Government. For both these purposes he recommends the formation of an All-India Co-operative Bank with somewhat the same relation to the Government as the presidency banks now have. The developed Co-operative System will, in future, in return for such help, open a great market for Government securities and will produce that equilibrium of monetary demand and supply for which Government and the finances have long been vainly seeking.

Mr. Clayton's article on "the Position of the Registrar" and Mr. Mehta's on "Training and Propaganda" should be compared and studied together. We agree entirely with Mr. Clayton's definition of the line of co-operative evolution in India and we are happy to find that in many essential points Mr. Mehta's contribution clinches the arguments of Mr. Clayton. From the historical example of the I.A.O.S. of Ireland Mr. Mehta concludes that even a thoroughly democratic constitution is not a guarantee of the success of a co-operative system and might fail to call out the characteristic virtue of self-reliance and the spirit of co-operation. We all agree with Mr. Mehta that the most logical line of development is the evolution of self-governing federations, composed wholly of societies and dependent for funds entirely on their own resources. He, however, wisely recognises that the lack

of any active desire for federation will very likely demand a gradual progress towards this goal. That being so, Mr. Mehta borrows a leaf from Mr. Montagu's book and will only gradually transfer subjects from the control of the Registrar to that of the Federations. He decides, very properly, that training and propaganda and the deliberation of policy are the functions most suitable to start the transfer with.

Mr. Calvert's views as developed in his essay are very instructive and are in substantial agreement with those of the preceding writer. Mr. Calvert begins by demonstrating the failure of the over-ambitious effort of those who have made the Central Bank the mainspring of the co-operative movement and would transfer to federations of such banks some of the most important and essential functions of the Registrar. But one of the most eminent followers of this school had to recognise at the last Conference of Registrars that the federation auditors had no influence whatever and that they could never be independent. Mr. Calvert lays down an incontestable proposition when he asserts that "the extent to which the Registrar can, at any time, withdraw himself from the charge of the primary expert services will be determined by the accumulation of funds by the societies enabling them to pay for a first class executive officer of equal calibre to that of the Registrar and by the development of sufficient administrative capacity among the co-operators or their representatives to enable them to assume the responsibility for the actions of that officer without impairing the efficiency of the movement." As the writer very pertinently points out, the work must begin from the bottom and not from the top. Until the primary societies can control wisely their own central bank, they should not undertake the task of controlling the provincial bank. Until the societies of any area have learnt to take measures in concert for the inspection, instruction and improvement of each other, we cannot look to them to be able to organise and control federations for audit or for the supply of other expert services.

Col. Crosthwaite who tackles, in the fulness of his great experience, the thorny "problems of Audit," reaches similar conclusions. His opinion is that at some future stage it may be proper to entrust the actual audit of central banks and other

societies to a regular cadre of auditors paid by the movement itself and working under a centralised non-official control. But at present a Government audit department is likely to be more impartial and efficient. He argues with Mr. Wolff that "some kind of Government supervision there will always have to be". As to the claim of many Indian co-operators that the cost of audit should be borne by Government, it is justly pronounced by Col. Crosthwaite to be a socialistic proposal and one likely to limit the ultimate expansion of co-operation.

No one in India could have been more fitly asked to write on "Co-operation" and the Housing Problem" than Rao Bahadur Talmaki. It is extremely instructive to read his views on the "Co-partnership Tenancy System" and its advantages, on the various types of housing schemes and on the nature of assistance which these schemes require.

The present writer has discussed in various articles and notes included in the *Capital* as well as in the present *Journal* the opportunities and difficulties of agricultural trading societies. He is happy to find his views corroborated by no less an authority than Mr. Noyce, nor does he think that looking to the great difficulties of the problem Mr. Noyce has laid undue emphasis on the part which state effort must play in forwarding the cause of Co-operative Trading.

The book we are reviewing commands and sustains the unflagging interest of the reader in every chapter and to the last page. It would serve no good purpose to summarise the well-known and often discussed opinions of Dr. Slater on Co-operative Stores and of Sir Daniel Hamilton on the policy of the Co-operative development. Our advice is that every one who is interested in Indian Economics should read, mark and digest this store-house of information on co-operative thought, policy and practice. It is a worthy and invaluable legacy from the older generation of Indian co-operators---who have deserved eminently well of India ---to the newer generation which is now entering upon its labours.

KHULNA CO-OPERATIVE CONFERENCE

The Co-operative Conference held at Khulna on Sunday, the 19th of September last, under the presidency of the Collector, Mr. Fawcett, was a success from every point of view. In the morning the annual General Meeting of the Khulna Central Bank was held in the local Coronation Hall : after the energetic Secretary, Babu Jatindra Nath Ghose, had read his report which showed all round progress of which any district in Bengal may well be proud, the election of Directors began : more than two hundred rural representatives took an active part in voting and the sight was one which would have satisfied the most astute critic of the new Reforms that the Bengal ryot - though illiterate, - is not unintelligent, and that he can be relied upon to exercise his franchise in the most approved Western fashion. The Co-operative movement has already laid the foundations of the system of responsible Government which is going to be introduced in the country.

The Conference began punctually at 1 p.m. with Mr. Fawcett in the chair and was attended by all the leading officials and non-officials of the District. A small party of representatives of the Bengal Co-operative Organization Society, including Mr. T. C. Roy, Prof. P. Mukherjee, Rai Lalit Kumar Mitra, Rai Shahib T. N. Moitra (of Pabna) also took an active part in the proceedings of the Conference. Khulna people are fortunate in having an able and sympathetic man like Mr. Fawcett to guide and lead them. After an opening song excellently sung by a choir of boys, the President distributed certificates and silver mounted sticks to those gentlemen who had rendered conspicuous disinterested services after last year's cyclone. Three money prizes, awarded by the Khulna Central Bank and three nice watches, presented by the Bengal Co-operative Organization Society were then given away by the President to the most deserving rural Co-operators. After the President's speech in which he dwelt on the moral effect

of the Co-operative movement on the people of Khulna, Prof. P. Mukherji submitted two important proposals before the Conference : one related to the formation of consumers' co-operative stores and agricultural purchase and sale societies : the other related to the formation of a local branch of the B. C. O. Society. Both the proposals were unanimously accepted. Prof. Mukherji was followed by Mr. T. C. Roy, Rai Lalit K. Mitra, Rai Shahib T. N. Moitra and Mr. S. P. Gupta of the Sanitary Department who delivered a very impressive speech on the supreme importance of health and sanitation for national progress and development : his assistant also gave an interesting speech illustrated with experiments. All around the hall there were health charts, co-operative exhibits, exhibits from the Agricultural Department, charts describing the achievements of co-operation etc. All the proceedings of the Conference, were conducted in Bengalee and were intelligently followed by the peasant delegates who formed the majority of the delegates. The success of the Conference is due to the whole-hearted co-operation of various classes of people —but largely to the selfless labours of indefatigable Mr. J. N. Ghose.

CO-OPERATION IN BOMBAY

1. Annual Report of the Bombay Co-operative Housing Association.

In the course of the annual report of the Bombay Co-operative Housing Association for the year ending March 31st last, it is stated :

The allotment of 5 lakhs of rupees made by Government for granting loans to Co-operative Housing Societies in the Bombay Presidency has given a great impetus to the formation of Housing Societies. Altogether 11 new Societies were registered during the year, 6 of which were formed in Bombay city and its suburbs, 1 in Dharwar, 1 in Ahmednagar and 3 in Karachi. The total number of registered societies at the end of the year, including the 8 started in previous years stood at 22. The progress made by these new societies in the year consisted mainly in collecting capital and acquiring land. No building operations were undertaken by any of them. This was mainly due to the abnormal rise in the prices of materials and the cost of labour. A Central Union on behalf of the Societies is under contemplation with a view to afford facilities for obtaining materials.

Only one Society has so far succeeded in having a Government loan sanctioned to it. This is the Bombay Catholic Copartnership Housing Society and the amount sanctioned is Rs. 6 lakhs, out of which 1½ lakhs is to be advanced in 1920. A few other Societies have applied for Government Loans, but none has been sanctioned so far. The main difficulty in this connection is want of definite instruction as to how a Society should proceed and what authorities are to be approached for getting the lay-out of the land and the plans and estimates of the proposed buildings sanctioned.

The most important event of the year is the change of policy adopted by the Bombay City Improvement Trust in regard to its land policy in favour of housing societies. The Trust gave a large number of its plots to many such Societies at scheduled prices without auctioning them. On the other hand, the Trust has

imposed on the societies the important condition that the net income from rents in the case of houses built on such plots, excluding all outgoings, should not exceed 6 per cent. per annum on the capital invested on them. The condition is intended to prevent profiteering. The Trust's new policy gave an impetus to the formation of many societies already registered, and a few more are taking steps for registration. The Trust gave land on the above conditions to the following societies—(1) Bombay Hindu Co-operative Housing Society 1,18,021 sq. yds., (2) Bombay Chandraseniya Kayastha Prablim Co-operative Housing Society 39,347 sq. yds., (3) the Hindu Building Association (formed by some Gujaratis) 57,306 sq. yds., (4) the Kutchi Visa Oswal Building Society 23,280 sq. yds., (5) the Telugu Building Society 35,532 sq. yds., (6) the Zoroastrian Building Society (registered under the Companies Act), 1,60,710 sq. yds. It is hoped that the Trust will give increased areas to housing societies in the fresh schemes of development that have been taken in hand.

BUILDING DIFFICULTIES.

The Societies registered upto now either in Bombay or Karachi are all formed on a communal basis, except the small society formed in the Taluka of Bydgi. It is significant, however, that while the Christians, Parsis and the various Hindu communities have formed or are forming societies for the improvement of the housing conditions of their people, not a single society is yet formed or is in the process of formation among our Mahomedan brethren.

The work done or being done in Bombay in the matter of Co-operative Housing is a mere trifle when compared to what is done or being done at Karachi, in view of the fact that the population of the former is about eight times that of the latter. The chief difficulty in the way of the people in Bombay lies in obtaining land on reasonable terms. But land alone cannot solve the housing problem unless houses are rapidly built thereon. Building materials at present in the city are both scanty and dear. The question of cheapening them by encouraging extensive production, by affording expert advice in the matter, and by bringing

about facilities of transport ought to engage the attention of the authorities without delay.

No doubt big schemes engineered by Government are in the air and His Excellency Sir George Lloyd has thrown himself heart and soul into the task. The development of the northern part of the city has been entrusted to the combined efforts of the Improvement Trust, the Municipality, and the Port Trust, and a total area covering about 3,000 acres is proposed to be developed to afford accommodation to six lakhs of people at the moderate density of 200 people per acre. It is said that besides the development of land many other kindred matters are engaging the attention of Government, but they are not yet made public. But whatever be the plans of Government, if they do not include measures for the encouragement of increased and better supply of building materials, the solution of the housing problem will be as distant as it ever was.

2. Bill to amend the Co-operative Societies Act.

The following are the statement of objects and reasons of the above Bill to be introduced into the Council of Fort St. George :—

Under sub-section (5) of section 42 of the Co-operative Societies Act, II of 1912, the orders made by the Liquidator of a Co-operative Society, the registration of which has been cancelled, have to be enforced by the Civil Court. It is of great importance that money due to societies which have failed should be collected and their liabilities discharged with as little delay as practicable. The procedure authorised by law, as it now stands, has been found to involve considerable delays, and it is desirable to provide for a more expeditious and efficacious procedure for the realization of the assets of societies under liquidation and of the costs of liquidation. The Committee on Co-operation in India, 1915, recommended that at the next revision of the Co-operative Societies Act, provision should be made for the summary recovery of the assets of a society in liquidation. Further, the Madras Provincial Co-operative Conference at its sixth session in 1917 unanimously recommended that the use of a summary process should be permitted in the recovery of loans repayable to liquidated societies.

It is therefore proposed to provide by law for the recovery of the assets of liquidated societies in this Presidency and of the costs of liquidation as if they were arrears of land revenue. To prevent any abuse of this provision, it is proposed that this procedure should be adopted only when a requisition in this behalf is made to the Collector of the District by the Registrar of Co-operative Societies.

3. Co-operative Finance in Bombay.

The Registrar of Co-operative Societies in Bombay is impressing on all District Co-operative Banks the necessity of raising local deposits as far as possible. First of all, he points out, in the present stringency of the money market, it is a patriotic duty of the first importance, to bring into circulation for the national good, all the money that can possibly be tapped locally, and it cannot for a moment be doubted that such money is there in large quantities, though it needs a sustained effort from the local leaders of the movement to induce the habit of investment. Secondly, from the point of view of the District Banks and of the Co-operative movement in the district, it is essential in the interests of economy to raise funds locally. He suggests that if larger funds can be raised and surpluses remitted to the Bombay Central Co-operative Bank, either as fixed deposits or in current account, the financial stringency at head-quarters will be relieved and the whole movement will again gain by a consequential lowering of interest.

4. The Bombay Central Co-operative Institute.

The Bombay Central Co-operative Institute has arranged an elaborate programme in connection with the English training classes it has organised for spreading knowledge on the subject of Co-operation. The campaign started on Monday, August 23, at Wilson College, Chowpatty, and continued till August 30. On the first six days classes were held each day—an hour and a half in the morning and two hours in the evening—and three lectures were delivered every day by lecturers who had made a special study of the different branches of Co-operation, notably among them being the Hon. Mr. Lalubhai Samaldas, Mr. Otto Rothfeld, Mr. G. K. Devdhar, the Hon. Mr. C. V. Mehta, Mr. S. S. Talmaki.

Mr. N. M. Joshi and others.

The lectures were on a variety of subjects including co-operative finance, agricultural co-operation, indebtedness, small industries, co-operative housing, mill-hands' societies, peoples' banks, etc. Two days were set apart for visits to the Central Co-operative Bank, Central Co-operative Institute, Bombay Co-operative Stores, and certain Co-operative Credit and Housing Societies. On the last day an examination was held of the students attending the classes. The object of holding these classes is evidently to create a class of men who can conduct co-operative societies' work in the mofussil and to organise their activities.

5. Coming Co-operative Conference in Bombay.

Mr. Otto Rothfeld, Registrar of Co-operative Societies in the Bombay Presidency, announces that at the next Provincial Conference in September it is proposed not to have any formal papers read but after the Presidential address which His Excellency the Governor of Bombay will probably consent to deliver and after a summary of the year's work and urgent problems by the Registrar to go at once to Committee work on definite questions.

The questions which the Registrar contemplates referring to the Committee of the Conference are the following :—

1. Whether it would be desirable to have a Co-operative Board (mainly elected but partly nominated) to work with the Registrar.
2. The system of finance, with special reference to (a) the introduction of cheques and discounting business, (b) increase of share-capital of District Banks (c) organization of further Urban Banks and (d) the need of a Producers' Bank.
3. The finance of Cotton Sale Societies with special reference to the condition of compulsory sale through such societies imposed by some credit societies on their members.
4. Whether Government should be moved to make a rule prohibiting the acceptance of non-members as sureties for loans in credit societies.
5. The recommendation of the special committee appointed by last year's Conference in regard to Audit.

6. The desirability of having a united service of trained managers.

7. What organization is required in Bombay City.

8. What organization is required to promote the Consumers' and producers' branches of the movement. *

9. Whether Taluka Development Committees should be introduced and extended and if so what their constitution should be.

10. The reconstruction of the Consumers' Wholesale Society.

11. Recommendations to meet the needs of Building Societies and provide for their rapid and successful extension.

It is proposed that short and more or less informal notes on these subjects should be proposed by co-operators interested in any of the subjects to form a basis for discussion in the Sub-Committees.

The Registrar will also be glad to add any other subjects of practical importance suggested by the Co-operative Institute.

The Secretary of the Co-operative Institute and any of the other gentlemen to whom this circular is forwarded should kindly suggest writers of notes. The Registrar will be very grateful to gentlemen who will volunteer to write such notes. The notes must reach the Registrar not later than the third week in August, so as to allow time for their being printed and ready for distribution before the Conference.

The Registrar will prepare notes on subjects 1, 2 and 9, and his Personal Assistant on subject 3, while the official correspondence in regard to 4 and 6 will be placed before the Sub-Committee. But on these subjects as on others, notes from other gentlemen interested will be anxiously awaited.

CO-OPERATIVE FINANCE IN MADRAS

I. The following notes on the financing arrangements of Co-operative Banks in the Madras Presidency have been issued by the Publicity Board :—

A primary co-operative society on unlimited liability basis is usually empowered to borrow money to the extent of one-eighth of the net assets of the members of such society, while a primary society on limited liability basis is empowered to borrow to the extent of 5 to 8 times the paid-up share capital of the society. The borrowing may be in the shape of local deposits or as loans from central banks. As deposits do not come into primary societies as freely as one would wish, central banks were started with the object of raising the credit required by the primary societies in the market. These central banks are limited liability institutions whose sole object is to finance co-operative societies. These institutions get money by deposits tenable for a period of one to three years and they are lending the money to co-operative societies ranging from a period of one to a period of ten years. These arrangements can be satisfactorily kept up only when there is a free flow of deposits far in excess of the outflow. To obviate the difficulties which the central banks may feel in returning deposits on the due dates of maturity, the help of the Madras Bank was availed of and it has been generous enough to give overdrafts to well established central banks with proper management and with a back ground of a large amount of paid-up share capital.

The Madras Provincial Co-operative Bank is a federation of various Central Banks in the Presidency and it is intended to connect the co-operative movement with the larger money market in the Presidency town. In view of helping the Provincial Bank to take deposits for shorter periods and lending them to district banks for much longer periods, the Madras Bank has been generous enough to allot a very large amount as overdraft to be drawn upon by the Provincial Bank in times of emergency. Besides, these

institutions which conduct banking by deposits have been allowed the privilege of keeping fluid resources in the shape of an undrawn overdraft with the Bank of Madras. The Madras Bank has allowed overdrafts to various district banks in the Presidency and the Madras Provincial Bank as shown in the statement appended. Thus it will be seen that the co-operative movement and the financing banks have benefited considerably by the arrangement of an overdraft with the Madras Bank. In fact, the period of financial stringency experienced during the months of January to June 1920, was surmounted by the help of this overdraft.

Name of Bank.	Amount of overdraft allowed	Rs
Madras Central Urban Bank,		1½ lakhs
Salem District Bank		1½ lakhs
Christian Central Bank	28,000	
Kistna District Bank		1 lakhs
North Arcot District Banking Union		2½ lakhs
Nellore	do.	10,000
Anantapur	do	50,000
Malabar	do.	50,000
Vizagapatam	do.	30,000
Chingleput	do.	1 lakhs
Madura-Ramnad		1 lakhs
Tanjore District Central Co-operative Bank		1 lakhs
Vizianad	do. Banking Union	10,000
Ellore	do	10,000
South Arcot District Co-operative Banking Union	...	30,000
Trichinopoly District Urban Bank	...	2 lakhs.
Coimbatore	...	2 lakhs.

II. There is and has been a considerable stringency in the money market. The flotation of a large number of industrial companies and the requirements of trade, increased by the rise of prices, have absorbed a large amount of money, largely in the shape of share capital. These demands, offering attractive rates of interest or

high expectations of profit, have diverted the funds which would otherwise be available for the co-operative movement, which in consequence is hampered by the scarcity of money. In this general dearth of available capital the Madras Bank and Nidhis and private companies and individuals have raised the rates of interest paid to depositors and charged to borrowers. In these circumstances, in order that a larger volume of money may come into the co-operative banks, it is proposed that more attractive rates of interest shall be offered by them to the depositors. The Madras Central Urban Bank has accordingly suggested that its rate of interest on deposits shall be raised to $6\frac{1}{2}$ per cent., and its rate on loans to Central Banks to $7\frac{1}{2}$ per cent., and that the corresponding rate of interest on loans by Central Banks to Primary Societies shall be 8 $\frac{1}{2}$ per cent., and that on loans by primary societies to members Rs. 10-15-0 per cent. This proposed increase in the rate of interest on loans by the Provincial Banks to Central Banks, by Central Banks to Primary Societies and by Primary Societies to Members will not apply to past transactions; and it is to be anticipated that the increased rates will be reduced when greater ease in the money market admits of getting money at cheaper rates.

The Government have agreed to the above suggestion and have advised the Registrar of Co-operative Societies to register the necessary amendments to the bye-laws accordingly.

CO-OPERATION AND THE COMING ELECTIONS

In the new number, just issued, of the *Bengal, Bihar and Orissa Co-operative Journal* there is a very timely note by Sir Devaprasad Sarvadhikary on the part which the Co-operative movement is to play in the Reformed régime. He holds that the great bulk of the people will undoubtedly make a "sustained, good, and honest try" to help on the reforms, but he expresses surprise that Co-operation ("with a big C") has not figured prominently in published programmes or speeches. Sanitation, education, industries, temperance, and co-operation should and will long be, in Sir Devaprasad Sarvadhikary's opinion, the main planks of all political platforms. We want, as he says, to "build up the people, their resources, and their stability;" and he regrets to find that "higher polities," as they are called, have absorbed much of the attention of future legislators to the detriment and exclusion of the subjects indicated. Co-operation will be one of the transferred subjects. Sir Devaprasad regards it in its various aspects—agricultural, industrial, and distributive—as the great lever of national progress; and, if it be handled properly by the Minister of the future, he looks forward to the achievement of wonders in many directions. Hitherto he considers that too much attention has been paid to the credit side of the movement; and he suggests that the time has come for directing attention to the development of other branches, such as co-operative purchase and sale, co-operative stores, industrial societies, or housing. He points out that the Co-operative Societies have not been given any special representation, probably because it was thought that co-operation has no polities—"it offers a platform on which Hindus and Mahomedans, Bengalis and Britons, traders and educationists; in fact, all classes, castes, and creeds are supposed to work hand in hand for the moral and material uplift of the people." It is to be hoped that the lead thus given by Sir Devaprasad Sarvadhikary will be zealously followed by all who have appreciated the substantial and direct benefits which Co-operation secures for the people.—*Statesman*.

CO-OPERATION ABROAD

PRINCIPLES OF CO-OPERATIVE MARKETING AS ILLUSTRATED BY CALIFORNIA EXPERIENCE.

(*From the International Review of Agricultural Economics.*)
Rome, June, 1920.

1. Fundamental Principles of Co-operative Marketing.

Principles of Co-operative marketing as illustrated by California experience.

From the International Review of Agricultural Economics, Rome,

1. Fundamental Principles of Co-operative Marketing.

The author formulates eleven fundamental principles on compliance with which depends the success of co-operative marketing, as illustrated by Californian experience.

1. *Organization for marketing purposes can be most readily effected when conditions in an industry are such that the need of improvement is quite generally apparent to those engaged in the industry.*—Prices below the cost of production, frequent "red ink" returns in the case of perishable products, accumulation of unsold products, depreciation of property values, and threatened financial disaster have been the conditions prevalent in the California citrus fruit, deciduous fruit, raisin, almond, and cantaloupe growers' industries prior to the organization of co-operative marketing. For instance, in the citrus industry conditions had become so bad that in 1893-1894 about half the shipments of the season resulted in "red ink" and many of the growers actually had to pay money, in addition to their entire crops of fruit, for the privilege of marketing them. As a result of the failure of speculative shippers to sell the year's crop at a fair price a convention of growers assembled in Los Angeles on 4 April, 1893, resulting in the organization of the California Fruit Growers' Exchange, through which

the growers proceeded to take the marketing of their fruit into their own hands. Similar conditions in the deciduous fresh fruit industry led to the formation in 1900 of the California Fresh Fruit Exchange (afterwards known as the California Fruit Exchange). In 1898 the Raisin Growers' Association had been organized as the result of conditions which had forced the price of raisins below cost of production so that in 1897, in Fresno Country alone, 20,000 acres of vineyards were uprooted and farmers fed raisins to their horses.

2. *Unless at the time of organization the conditions in the industry are so unsatisfactory that striking improvements are possible early in the life of the organization, the organization itself is likely to die from inertia or succumb to attacks from outside interests.*--Growers who resort to co-operative methods for the marketing of their products are almost sure to meet with bitter, and often unscrupulous, opposition from those interests which previously handled the product to their own advantage. In the face of such opposition success can only be achieved by unstinted thought and effort devoted to the affairs of the co-operative organization, which can only be expected when previous conditions were such that striking benefits may be expected from the co-operative effort.

3. *There must be a sufficient volume of one product or closely allied products represented by the membership of a local organization to enable shipments to be made in carload lots and to effect a sufficient aggregate saving in the cost of marketing to more than counter-balance the expense of operation.*--The principal volume of California's horticultural products must be placed on distant markets, and carload shipments are essential because of the wide difference in freight rates on carloads and less than carloads. To be successful, the loading of a car of perishable fruits must be effected at the point where shipment originates. It is therefore quite essential that a local association be able to ship its produce in carloads lots. The volume of business transacted should also be sufficiently large to permit the economical employment of labour in handling the product and loading the cars, and to prevent the saving from other quarters from being absorbed by overhead expenses. This means that the volume of business must be such

as fully to employ the time and energy of the salaried officers. Experience has shown that co-operative marketing cannot be successfully conducted, at least during the shipping season, without one responsible officer devoting his entire time to the business. The President of the California Fruit Exchange has given it as his opinion that in the case of deciduous fresh fruits a local organization has little chance of success if its output is less than thirty carloads during a season, and Mr. Harold G. Powell, Manager of the California Fruit Growers' Exchange, considers that in the case of citrus fruits it is not practical to organize an association and build a packing house unless there are at least 150 cars of fruit to ship.

4. *The organization must be composed of persons whose interests are similar. Membership in a growers' organization should usually be limited to actual growers of the crop to be marketed.* Experience shows that this is fundamental. Not only should each growers' co-operative marketing organization handle only one product or a few closely allied products, but each unit of organization should be composed of persons living within a limited area. The quality and finish of a product is more likely to be kept up to a certain standard if the growers live in the same community. The concentration of orange growing in certain regions has been one of the facts which has contributed to the success of the California Fruit Growers' Exchange.

Attempts hitherto made to combine in one organization the interests of growers and commercial packers or dealers have demonstrated the incompatibility of such an arrangement. A case in point which clearly illustrates this, is that of the California Fruit Agency, a sincere yet unsuccessful attempt to combine growers and shippers into one organization for the benefit of the entire citrus industry. In April 1903, when the citrus fruit markets of the country were completely demoralized by the presence of large supplies of oranges showing excessive decay, following a period of wet weather and the various shippers were each acting alone in their efforts to find markets, Mr. G. W. Felts, member of a commercial shipping firm, thought that the logical way of handling the citrus or crop was to have all interests united and tried to bring about such a union. At that time a group of

packers was supposed to control 42 per cent. of the crop, and the Southern California Fruit Exchange was credited with controlling 47 per cent. Mr. Felts sought to bring together these interests representing practically 90 per cent. of the crop. At that time the independent packers were fighting the Exchange for all they were worth. Nevertheless, Mr. Felts was successful in securing a promise from the Exchange that if all the independent packers would join the proposed movement, the Exchange would do likewise. He then succeeded in getting the packers to unite in the California Citrus Union and the California Fruit Agency thus consisted of this Union on the one hand, and of the Southern California Fruit Exchange on the other. As stated at that time "the primary object of the new venture is to eliminate ruinous competition to prevent glutted market and provide equal distribution of the output throughout the United States" Mr. Lloyd says: "For a time it looked as though the California Fruit Agency were the solution of all the marketing problems pertaining to citrus fruits. When it started business on 1st April, 1903, the Agency took over some 1800 cars, of fruit *en route* and on tract unsold, at a time when all markets were congested, demoralized and in deplorable condition, and the situation altogether disheartening. Within a short time the congested condition of the markets was relieved and the situation entirely changed. Wider distribution of the crop was secured than previously, for agents were shifted to new points without additional expense to the industry, for previously both the Exchange and some independents had maintained representatives in the same market. Thus the former agents of both maintained now by the Agency, were able to cover a larger number of markets. Shipments during the month of May were 50% greater than during the same period in any previous season, although the fruit ran to large sizes and did not have good carrying qualities." Yet, inspite of this apparent success, the life of this hybrid Agency was destined to be a short one. A provision in the agreement between the Exchange and the packers which prohibited any increase in the membership of the Exchange and except under certain regulations, or with the consent of the Agency, was particularly distasteful to the growers. The aim

of this provision had been to insure that sufficient fruit would always be left outside the Exchange to provide material for the operation of the independent packers. As a result of the divergent interests represented, and of the consequent jealousies and grievances, on 20th May, 1904, at a meeting of the Board of Directors of the California Fruit Agency, it was decided that : "As this organization has not received the general approval and earnest support of the growers necessary to complete and permanent success we deem it advisable to discontinue business on 1st September next."

Similar failure attended like attempts to combine the interests of commercial packers and growers in the Fruit Growers' and shippers' Associations, in the California Raisin Growers' and 'packers Company, and in the Brawley Cantaloupe Growers' Association.

5. Definite provision must be made for financing the business of the organization.—With this end in view, various means of securing funds have been employed. In the citrus industry, the local associations have been organized as joint-stock companies in which each member is required to purchase a certain amount of stock for each acre of his orchard. But this has had to be supplemented to meet initial expenses by securing a loan from the local bank, so that success or failure has been largely dependent on the attitude of these banks to co-operative enterprise. Extreme difficulty has been encountered in arranging for short time loans needed to defray operating expenses before returns from the sale of products become available. "Experience shows," says Mr. Lloyd, that "if sufficient funds to finance a given organization can not be secured from subscriptions of growers on the basis of acreage or volume of produce, or borrowed from banks and the issuing of shares of stock on other than an acreage or volume basis becomes necessary the sale of such stock should be limited to growers of the product to be marketed the stock should be transferable only to growers, and the amount of stock which may be owned by an individual firm should be limited."

6. Benefits accruing from membership in the organization should be distributed among the members in proportion to the value of the products handled for each.—When stock in a growers'

co-operative marketing association has been purchased by members in proportion to their respective acreages or volume of products, it makes little difference whether profits are distributed on the basis of the holding of each member in shares of capital stock or on the basis of the volume or value of products handled for each; till even then, it is preferable to make such distribution on the basis of the value of the products handled, as this encourages not only the production of higher yield but also of high grade of products. When the capital stock is held in amounts disproportionate to acreage it is best to limit the dividend paid on capital stock to a reasonable rate of interest on paid up capital, to set aside a limited amount as a reserve fund, and to divide the remainder in proportion to the value of the products handled for each member. In the case of organization without capital stock, operated on the non-profit plan it is usual to estimate expenses as closely as possible and for the organization to retain a sufficient amount per package or pound to create a revenue to cover all expenses. At the end of the season, any excess over costs which may have been charged to members is returned to them in proportion to the number of packages or pounds handled for each. The charge for marketing should be levied on each package or pound and not according to value of products as the cost of marketing low grade products is as high as that of marketing high grade.

Some organizations, like the Sebastapool Apple Growers' Union, though having capital stock, operate on a non-profit basis but give the growers the direct benefit of the further reduction in the cost of marketing thus afforded.

7. In a properly constituted growers' co-operative marketing organization it makes little difference whether the voting power is based upon individuals, volume of product, or shares of stock.--The most desirable form of organization is that in which shares of stock, if any, are held by the growers in proportion to their acreage or volume of product. A vote based on such shares of stock is essentially the same as a vote based on volume of product.

8. For the purpose of marketing the product of a large horticultural industry, an affiliation of local organizations is preferable to a single large organization made up directly of individual growers. In such an affiliation, the identity of each local should

be preserved and its interests fully represented in the central organization.--While it is desirable that the area covered by local organizations be limited so as to ensure mutual knowledge and confidence between members, marketing is more economical and the distribution of the product more comprehensive if a general plan is followed by the grower of the same product in several localities. To secure this purpose, experience shows that the members of the various locals should be represented on a central organization, which should meet at fairly frequent intervals. Varying methods have been followed by the several California producers' organizations to secure representation of all the locals on the central without making that body so numerous as to be cumbersome. In the California Fruit Exchange "each growers" organization not represented on the Board of Directors shall be entitled to select from its membership some one to sit with this Board at all its sessions, to be known as Associate Director, and enjoy all the privileges of a Director except in voting." Similar methods, though differing in detail, are followed by the Almond Growers' and the California Fruit Growers' Exchange. On the other hand, the raisin growing industry has followed the plan of having one large organization made up directly of individual growers, who have no voice whatever in the affairs of the organization except at long intervals. The stockholders elect twenty five trustees, five each from five districts, who remain in office for a period of seven years, and the stockholders, including the growers, have no further voice in the affairs of the organization till the close of that seven year period. This plan, which has so far worked successfully in the raisin industry, has been followed by the Peach Growers and by the Prune and Apricot Growers.

9. *Each organization must possess a degree of administrative ability and business acumen commensurate with the volume of the business to be transacted and the intricacy of the problems to be solved.*--Experience has shown that, in respect of this important fundamental co-operative marketing enterprizes which develop as the result of initiative on the part of the growers themselves have the advantage over those resulting from the efforts of a professional organizer from the outside, for the former will

possess among their membership the organizing ability requisite for success. But these members, being growers, will, as a rule, be unable to devote more than a fraction of their time to the affairs of the organization; much will therefore depend on the selection of a manager; and the poorest economy which an organization can make is that of securing a cheap manager. For this position specific training in the handling of a given commodity is found to be of less importance than knowledge of men and of marketing methods and trade conditions in general. Experience as sales' managers in the eastern fruit markets has been found to be exceptionally good training for the manager of a California growers' marketing association, and the California Fruit Growers' Exchange is training in its eastern offices a corps of assistants who are becoming thoroughly familiar with trade conditions in the leading markets and are being advanced to positions as sales' managers in the smaller markets as their ability becomes recognized and opportunity offers.

10. *The details of handling, selling and distributing the crop must be adapted to the nature and volume of the products.*--Thus, while for some products, such as beans, almonds, dried raisins, prunes or citrus fruits, the association can do the packing at considerably less expense than could an individual grower, with other products, such as berries melons, and those deciduous fresh fruits which are shipped most extensively during hot weather, and which deteriorate rapidly, association packing is impracticable because of the delay it would entail in getting the product from the field to the car. Similarly, local associations handling a relatively small product can have it handled through brokers located in various markets, at less expense than would be entailed in maintaining agents of their own; whereas a large marketing organization, like the California Fruit Growers' Exchange, which, in 1916 handled 30,000 carloads of fruit, can maintain its own sales' offices manned by salaried employees working under its own instructions in all the leading markets where its business amounts to 100 carloads of fruit or more per year. Again, in the case of such commodities as walnuts and almonds, for which the wholesale demand is limited to a very short season, the Growers' Associations have wisely elicited the services of brokers. All this shows that the

California growers' co-operative marketing organizations have fully recognized the importance of employing methods of sale and distribution adapted to the nature and volume of their respective products.

11. Loyalty of individual members and mutual confidence among all factors in the organization are absolutely essential to the permanent success of any co-operative enterprise.—This is the outstanding feature of all success in co-operative effort, and its importance has been fully recognized by co-operative marketing organizations in California. Personal contract between growers and local managers, and between these and the members of the field department have been carefully cultivated. Efforts are made to induce growers to attend the annual stockholders' meetings. The California Fruit Growers' Exchange keeps its 8000 members in personal touch with the activities of the organization as a whole, and makes its representatives in the eastern markets realize their function as parts of one great organization working to achieve the best possible distribution of the California citrus fruit crop, and to this is attributed its present efficiency in the marketing of this product.

2. Advantages of Co-operative Marketing.

Now that we have examined the fundamental principles of co-operative marketing let us glance at its advantages. Mr. Lloyd classifies them under five heads :

- (1) reduction of the cost of marketing ;
- (2) improvement in the distribution of the product ;
- (3) increased demand for the product ;
- (4) standardization ;
- (5) protection of the individual grower.

The cost of marketing includes packing house charges, transportation and brokerage, commission or other form of compensation for doing the selling. The reduction in the cost of packing realized by the orange growers through co-operative action is striking. A circular issued by the California Fruit Growers' Exchange in 1911 states; "A brief review or comparison of con-

ditions as they existed just prior to the formation of the Exchange and as they exist to day is interesting. Then, the cost of packing a box of oranges and putting it upon the car was between 40 and 50 cents. Now the same service, better done, costs on the average 30 cents. This is the result of the elimination of profits formerly accruing under a system of commercial packing, and the purchase of box material and other packing house supplies in enormous quantities for the entire Exchange system, and their distribution to the various associations at actual cost.

Great economies were also effected in the cost of selling when the orange growers took the business into their own hands. The usual commission charge was 10 per cent. which fell, under co-operative management, to about 1 per cent. effecting in 1895 a saving of a full 150,000 dollars for the growers; and the Annual Reports of the present General Manager, G. Harold Powell, show that the cost of selling citrus fruits through the California Fruit Growers' Exchange from 1912 to 1916, has been less than 3 per cent. on the gross sales, inclusive of outlay for maintaining a comprehensive advertising campaign each season.

The California Fruit Growers' Exchange also took the lead in securing reductions in freight rates and refrigeration charges on California citrus fruits. The orange freight rate was reduced 7 cents per box, and the lemon freight rate 21 cents per box, equivalent, on the basis of the 1911 output to an annual saving of over 17,00,000 dollars. These savings have benefited the entire industry and not only the members of the Exchange.

The Traffic Department of the California Fruit Growers' Exchange by a thorough system of auditing has greatly reduced losses due to freight overcharges or damages in transit. In 1916 the Exchange secured for its members from the railways the payment of claims for pilferage, overcharge, loss, or damage in transit amounting to 111,557.31 dollars which it returned to the shippers. The system of conducting business on a cash basis through personal representatives in all the leading markets has reduced loss from bad debts to a minimum. In 1916 the growers belonging to the Exchange lost only 102.73 dollars from such causes.

Before the formation of Growers' Co-operative Marketing Organizations California found it difficult to dispose of her fruit

crops to advantage when the total annual shipment of oranges, for example was only about 1000 cars. The returns to growers were so low that the cry of over production was set up, and in some cases large areas of fruit plantations were uprooted because they were netting the growers less than the cost of production. This was especially true of the raisin and almond growers. But the trouble was due not to over production but to defective marketing. Business was confined by the shipping firm to a few large cities and no attempt made to develop smaller markets. Under co-operative methods the shipping season has been extended and the customs of consumers are being changed by the efforts of the marketing organizations. Lemons and oranges are now shipped from California the whole year round, as the result of a careful thought of our advertising campaign which has educated the public up to the winter uses of lemons and the summer uses of oranges. Markets formerly dependent on reshipments from Eastern cities, are now supplied direct by the California Grower, and the smaller cities are centres from which the fruit is distributed to the surrounding villages. Persistent efforts on the part of the co-operative organizations have induced the railroads to improve their transportation and refrigeration service, and a stage has now been reached in which the railroad companies recognize that they and the fruit growers have mutual and not antagonistic interests.

While the population of the United States increased 20.7 per cent. from 1890 to 1900, the shipments of citrus fruit increased 195 per cent. during the same period. From 1900 to 1910 the population increased 21 per cent. and citrus fruit shipments 292 per cent. Foreign markets, particularly Canadian markets, have been developed to help and take care of this increased production; but above all the prosperity of the citrus fruit industry is due to the educational advertizing campaign carried on systematically by the California Fruit Growers' Exchange, which has resulted in largely increasing the fruit eating habit among the people; thus increasing the per capital consumption of fruits.

Besides direct advertizing, the Exchange has a large Dealer Service Department, which is constantly studying retail and wholesale conditions affecting the sale of citrus fruit, and applying facts, thus developed, in connecting the advertizing directly with the

fruit trade. Merchants are shown how to make attractive fruit displays, how to sell a larger volume of oranges and lemons, how to do a more profitable business on a lower margin, how to keep fruit fresh, minimize waste, and take advantage of the national advertising. This service involved in 1916 more than fifteen thousand personal calls on retail fruit merchants.

The example set by the California Fruit Grower's Exchange in advertising has been followed by the California Associated Raisin Company, which spent 117,452 dollars on advertising in 1914, equivalent to 1.64 per ton of raisin sold. This was looked upon as a very good investment as it increased the sales of seeded raisins to bakers from 750 tons in 1914 to 7,300 tons in 1915. The California Walnut Growers and the California Almond Growers' Association have also resorted extensively to advertising.

Successful advertising depends on the standardization of the product and this, in the case of fruits, can only be secured by concerted effort on the part of those who supervise the preparation of the product for market. In California this standardization of products has preceded rather than followed legislative enactments made with this end in view, and a much more rigid standard can be maintained by co-operative organizations of growers than could be enforced by government officials.

The citrus fruit growers have adopted a box of a definite size and shape for packing oranges and another for lemons, and all members of the organization are required to use these in packing their fruit. Grades have been established, and members of the Field Department visit the Exchange packing-houses every few days to promote as great uniformity as possible in grading and packing throughout the 162 local associations.

Similar action has been taken by the California Almond Growers' Exchange, by the California Associated Raisin Company, by the Sebastopol Apple Grower's Union, and as far as the nature of the product, cantaloupes, permits, by the Turlock Merchants and Growers.

So long as the individual growers sold their crops directly to speculative buyers, or had them handled by shipping firms on a so-called commission basis, they were open to exploitation on the part of the buyer or shipper, and if they consigned their fruit to

a distant market they had to accept whatever the distant dealer saw fit to send. All this has been changed in California by co-operative effort. At relatively slight expense per member or per unit of fruit handled, a large organization can secure a thorough knowledge of the markets and maintain during the marketing season a thoroughly organized telegraphic service that will enable it to know the exact condition of each market every day. Thus distribution can be rationally organized and the salaried agents of the co-operative organization on the several markets know that their compensation does not depend upon the number of cars sold in a given market but upon their ability to assist intelligently in that distribution of the product which will yield to the growers the highest average returns. Moreover all the fruit of the same grade contributed by the different growers in a given local association during the same period is pooled, and each grower receives for his fruit the average net returns for the period; thus loss, resulting from deterioration in transit, is reduced to a minimum for the individual concerned.

3. Relations of Growers' Co-operative Marketing Organizations. To Control of production, Distribution, and prices.

After this survey of the fundamental principles of co-operative marketing and of its advantages, Mr. Lloyd briefly enquires into the relation of such organizations as he has described to the control of production, distribution and prices. None of the growers' co-operative organizations in California have provisions for limiting acreage or for exercising control over the amount of land to be planted to a given crop. Their success in marketing their members' produce has led to an increase of acreage, and the policy of the co-operative marketing organization has been to welcome this increase. Their function is to promote rather than to restrict production, and to make increase production profitable by increase efficiency in marketing. The plan adopted by the marketing organization hitherto is to accept all acreage offered to secure as careful an estimate as possible of the probable yield, and to plan the marketing campaign accordingly.

While marketing is facilitated by co-operation, a grower who joins a marketing organization does not and should not relinquish

his right as an individual to determine the acreage he will plant and the special efforts he will exert to secure as large a yield as possible.

Who should determine the methods to be employed in disposing of the crop? The final authority in this matter rests with the individual growers; the central body, in case of large marketing organizations, may suggest radical steps to be taken, but no power except a majority vote of the membership of a given local should bind that local to adopt new or unusual methods in the disposal of its crop. The central body should have the power to advise, not to dictate, changes of policy to meet new conditions from time to time.

What special method of disposal of the product may be resorted to in case of sudden increase of production? When, in spite of all efforts to extend the market it is found impossible to maintain the due relation between supply and demand, the growers' organization - unless it is to be considered as actuated primarily by philanthropic motives - has only one logical course to pursue and that is to grade the fruit more rigidly than ordinarily and to ship to distant markets only such grades as have a reasonable prospect of selling at a price sufficiently high to return to the grower some net proceeds.

What should be done with the lower grades of fruit? In the first place, all local markets should be kept supplied to their full capacity at low prices; secondly, shipments of fruit should be made in boxes, without packing, to markets near enough to be reached without refrigeration; thirdly, the growers should find an outlet for their fruit other than in the fresh state, such as canneries. The above remarks apply principally to products of a perishable nature. In the case of relatively non-perishable products such as raisins and dried peaches, there should be no reason for allowing any of the product to go to waste.

Fruits are looked upon mainly as luxuries rather than as staples. Therefore relatively small changes in price are likely to be accompanied by comparatively large changes in amounts taken. It would therefore be impossible for a growers' co-operative marketing organization, even if it controlled the entire supply of a given fruit product, to sell its output at an arbitrary price, fixed without reference to the available supply as compared to the

demand in the markets. Organization has enabled the growers to shift their market one step nearer to the consumer, and to obtain some voice in deciding the price at which they will sell their product but the very nature of these products makes it impossible for them to exact prices unwarranted ; by the relation of the supply to the demand. Co-operative marketing organizations of growers are not regarded as combinations in restraint of trade , they promote rather than restrict trade ; and their influence has been on the side of reducing rather than increasing the cost to the ultimate consumer.

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VI. All communication including literary contributions meant for publication in the Journal should be sent to Prof. P. Mukherji, Hon. Secretary, *B. C. O. Society*, 6 Daere's Lane, Calcutta.

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No. 3

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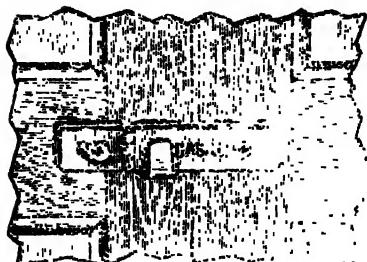
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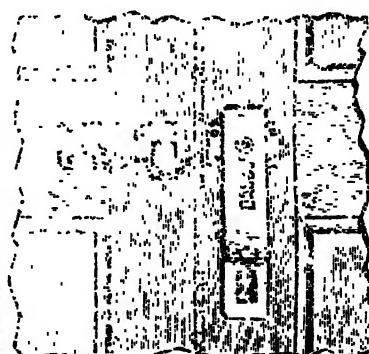
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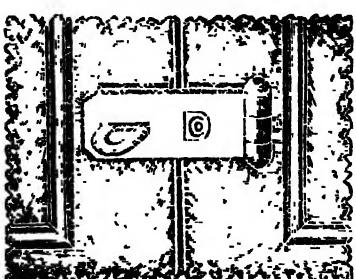
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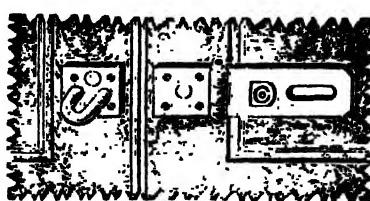
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JOURNAL

VOL. VI

NOVEMBER, 1920

No. 3

NOTES AND NEWS

Before the next issue of the Journal appears the vast constitutional changes will have come into effect and the Co-operative Department will have become a transferred subject under the administration of a popular Minister. We hope that every member of the new Legislative Council will be a Member for Co-operation and will interest himself in the sound and progressive development of the movement in diverse fruitful channels. On the Minister-- who ever he may be--will rest the great responsibility of controlling a movement fraught with vast possibilities for good to the country : we hope he will extend his patronage to the B. C. O. Society and help it in fulfilling its great object of the advancement of the Co-operative Movement in Bengal.



We welcome Mr. J. T. Donovan back to our midst ; we hope he will infuse new life into the Co-operative Movement in the Province and will so direct it that the sympathy and support of the non-official public of Bengal may be more widely enlisted in its favour.

The Annual Report of the Co-operative Department in Bengal should soon be obtainable. We believe we are right in anticipating that it will be a record of successful development.



It is likely that the eleventh session of the Bengal Provincial Co-operative Conference will be held early next year in Calcutta.



Considerable interest and concern have been excited in the fishing industry in Great Britain by the creation of a new Co-operative Society. The Government has taken a considerable part in its establishment ; its Committee of Management includes a representative of the Admiralty and Mr. J. R. Clivies is the first chairman. The idea was mooted several years ago when the Empire Resources Committee drew attention to the immense wealth of food the seas possessed, to the effect that a cheap supply of fish would have on the cost of living and to the existence of hundreds of mine-sweepers which could be utilised as trawlers on the restoration of peace. It emphasised that a large increase in the fishing fleet must be accompanied by more efficient arrangements for the transport and marketing of the produce. The Admiralty has now given practical effect to the suggestions then made. It has sold to the Co-operative Society some 200 vessels on terms that are admittedly advantageous ; it is also charging only 5 per cent. on the balance of the purchase money. These favourable terms it justifies on the ground that they represent but a slight reward to the men who kept England fed during the war and few will disagree with the justification. Membership of the Society is not, however, confined to ex-service men, and this has given private interests an opportunity of attacking the scheme as an instance of ill-advised spoon feeding.



Mr. C. F. Strickland, I.C.S., has an article in the *Bombay Co-operative Quarterly* on Weavers' Co-operative Societies in the Punjab. According to him—

"The most widely distributed cottage industry of the Punjab is that of weaving, and the weavers' community was recorded as

numbering 6,35,000 at the last census; a certain number of Chamars and low caste Hindus and Sikhs also practise the art. They are being rapidly ousted from the town markets by the product of large mills, and competition is following every new means of transport into the remoter villages. The peasant, whose father was content with home-spun cloth, now buys English or Indian long-cloth at war prices. In order to hold his own, the cottage-worker must secure the advantages of (1) wholesale buying of raw materials, (2) a standardized product which can be advertised and can be sold without inspection, (3) and improved methods of production. These should be the object of co-operative societies for weavers."

After four years of work with the weavers' societies of the Punjab, Mr. Strickland feels that

"It would be unwise to prophesy whether the cottage-worker can finally be saved or not. If it be possible, it is possible through co-operation alone. No doubt can be entertained by the observer of social conditions that the cottage-worker is, on the whole, happier, healthier, and a better citizen, than the manual labourer of a factory. The effort to save him may fail, but it is worth making."



In our last number we traced the success of co-operation in tackling the industrial problems of a great city like New York. We have seen how experiments on co-operative lines are being conducted to relieve the congestion in the industrial quarters of that city; to secure the survival of the small retailer in the face of the growth of massive retail trade and chain stores; and to give to the small manufacturers the same facilities in the matter of transportation that the giant businesses enjoy. In a word we found co-operation striving to influence industrial localisation in great cities and to check the movement towards great fusions in manufacturing and retail trade. In the present issue we shall notice another set of experiments illustrating equally well the triumphs of co-operation. Peasant Co-operation in Roumania has succeeded in raising a down-trodden race of cultivators to striking heights of prosperity; has

endowed a poverty-stricken lot of labourer with the ownership of broad lands; and has restored plenty to a land which was very recently ravaged by the armies of Germany and Austria. In all their aspects the achievements of co-operation glow with the colours of romance.



In a recent contribution of great interest Prof. Knight of Hunter College tells us how through co-operation the peasants of Roumania were enabled to acquire pastures and to acquire lands which only a decade ago were the monopoly of great landlords. Through the help of the rural banks every hamlet in the country has been enabled to purchase from the great proprietors and to own a communal pasture. In five years the aggregate value of the pastures thus purchased amounted to 15,10,00,000 francs. But a mightier task lay before the peasants of Roumania. The land grazed under a "farming" or "speculator" system under which the great absentee landlords let out their lands to middlemen who made enormous profits by sub-letting them on the rack-rent principle to poor peasants. This system combined the evils of absentee-landlordism and of a regime of grasping middlemen. About 1905, however, the peasants combined themselves into co-operative "land-leasing associations" and successfully competed with the middlemen-- speculators for obtaining leases of these estates. In many cases they undertook to bid fifty and even a hundred per cent. more than the rent offered by the middlemen and yet they made a large profit over the bargain. They prospered; for their energies were braced by the spirit of co-operation. The co-operative associations went to work in the right way; they hired agricultural experts to settle technical questions such as the rotation of crops, choice of seed, purchase of the common breeding-stock and the like. The result is that the average yield of the land has been nearly doubled since the peasants took it over.



Peoples' banks began to be started in Roumania in the year 1894-95. In this task "the peasants were aided by the village school-masters and priests and the work of study, comparison

and correlation of results was enthusiastically taken up by the group of intellectual liberals." In 1897 there were two of these banks; by 1900 there were eighty and by 1903 we find seven hundred. The organization deserves a study, now that we are preparing to multiply peoples' banks, in their proper sense, in India. Over the member banks appear the "regional popular banks" which arrange for loans from one local bank to another serve as intermediaries between the member banks and the Central Urban Bank which stands at the head of these movement. In 1913 this Central Bank extended credits of ten million francs to the member banks and held deposits from them amounting to twenty-six million francs—the excess of deposits over credits showing how completely the banks stood upon their own feet. Thus in Roumania the system of Urban Banks has a set of Central Banks *ad hoc* to serve them—which reminds us of a suggestion of the sort in the article on "Urban Banks" in Mr. Hawbank's "Indian Co-operative Studies". What we have been reading about the Roumanian Movement also suggests that greater use could be made of the services of the village schoolmaster in the Co-operative Organization. It is also to be devoutly hoped that our "groups of intellectual liberals" took as keen an interest in the progress of Co-operation in India as the Roumanian intellectuals have done in that country. However, that day is not yet.



We shall close our review of the great things done by co-operation in Roumania by noticing its work during war. It was very unlike the distant and glorious war which India has had the good fortune to wage recently. It was a war carried into the heart of Roumania with disaster following disaster and with all the hand maids of war—fire, famine and pestilence working their will on the unhappy land. It was then that co-operation exhibited its giant strength. For want of any other organization it undertook the task of rationing the land and carried it out most satisfactorily. It was also the distributing agency, through producers' and consumers' associations, of merchandise worth many millions of francs. As the war had stopped almost completely all capitalistic

enterprise and speculative commerce in the villages the peasants had formed habits of getting along without middlemen and profit-earning classes. Purchasers' and Producers' Associations have thus found a void which they are doing their best to fill—and with considerable success. His experience in the co-operation societies had given the Roumanian peasant confidence that he could exist very comfortably without the speculator. One more feature of co-operative success in Roumania well deserves a mention; it was the impenetrable wall which was presented to Bolshevism by the Romanian co-operators. "The Russian Soviet" we are told "was the material expression by a group of radical economists of the wishes and theories of town labourers. On the other hand the Roumanian co-operative was the material expression of the wishes and ideas of the peasants, the tillers of the soil in village and hamlet. The Roumanian co-operative had evolved more slowly, around the private ownership of land by the tillers as a definite ideal, and was willing to postpone fixing the details as to what sort of central government should ideally unite the smaller groups until these reached a more advanced stage in their evolution." The power of co-operation to battle with Bolshevism might be judged from the fact that the million Russian troops on the Roumanian front were zealous propagandists of the Soviets. Their propaganda practically destroyed the morale of the Austro-Hungarian army and seriously impaired that of the Germans. Yet the Roumanian army never showed serious symptoms of collapse or disintegration. Whether in Russia or Hungary—and indeed wherever Bolshevik experiments have been tried, the town labourer has favoured Bolshevism while the peasant has remained deaf to the appeal. This shows that the real prophylactic for Bolshevik tendencies is to organize the peasants on co-operative lines. If this precaution is adopted generally, we might be sure that future of the world lies with Co-operation and not with Bolshevism.

SOME ASPECTS OF CO-OPERATION IN BENGAL

I. *Stores.*—One of the most remarkable developments of co-operation in Bengal during the year ending on 30th June, 1920, is the increase in the number and turnover of co-operative stores. We are able through the courtesy of the Registrar to give some figures which prove how great this increase has been.

	No. of stores	No. of members	Share Capital	Working Capital	Goods sold	Profit	Reserve Funds.
1919-20	17	6,110	Rs. 1,17	Rs. 2,53	Rs. 3,1	Rs. 6	Rs. 66
1920-21	71	13,290	Rs. 3,625	Rs. 9,61	Rs. 1,119	Rs. 20	Rs. 29

The cause of this increase is not found in any special propaganda of the department, although, the officers of the department gave very great assistance in organization in those places where people demanded stores. The growth is, therefore, purely spontaneous. The high prices of the necessities of life and the success attained by a few of the stores already in existence in checking profiteering and keeping prices down to limits which were not unjustifiably high—these are the cause of the great developments of this year.

It must not be assumed, of course, that all the new stores registered can be classed as successful. Some of them will probably prove bad failures. Some beginning well under the incentive of profiteering prices all round began to flag when the profiteers began to come to reason even though in some cases the change in the profiteers was brought about by the organization of the stores themselves. Other societies lost their enthusiasm very early and failed to maintain the effort necessary to success. In some cases the shareholders seemed to imagine that there was nothing to be done beyond taking shares and waiting for the magic word Co-operation to bring prices down with a rush and provide at the same time the highest dividend upon the shares. Certain societies even seemed to imagine that the department should not only help in organiz-

tion and arrange registration but should continue to run the business of the societies too. There were therefore many who were disappointed, but such disappointments are not to be regretted if they have produced clearer ideas in certain places as to what Co-operation really means.

Whenever a sustained effort was made and wherever the shareholders and the directors showed sufficient interest in the societies there have been records of successful working during the year. Noteworthy among the smaller ventures are the Dacca Farm Stores, Jamalpur Town Stores, Rajbari Town Stores, Bangabasi College Stores, the Barisal Officers' Stores and amongst the larger ventures the Sundarbans Stores and the Naogaon Co-operative Stores, Ltd. The latter is a society entirely independent of the Naogaon Ganja Cultivators' Co-operative Society, Limited It has a membership probably approaching 4000 now. Bonafide agriculturists only are eligible as members. In the Sundarbans Society there are also about 3000 members, all cultivators.

There is no doubt about the general effect of these Stores. They have been very beneficial not only to their members but to the general public as they have prevented the exploitation of the public by profiteers in many places, and they are spreading ideas of co-operation amongst certain classes who hitherto had little more than an academic interest in the movement. It is to be hoped that they have come to stay and multiply. It is to be hoped too that the failures will not drag on and give a bad example and that they will be replaced by successful organisations. We are proud of the development which has brought sales up from about Rs. 84,000 in 1918 to Rs. 1,94,538 in 1919 and to Rs. 12,60,130 in 1920, but there is room in Bengal for societies counting their sales in crores of rupees and when this is realized we may hope for a strong Wholesale Society to complete the organization.

II. *The Milk Societies.*—We regret to have to say that the milk societies which Mr. J. T. Donovan, Registrar of Co-operative Societies, described in his paper early in this year before he went on leave have experienced a great set back. The daily supply of milk in March last was two tons and consumers competed eagerly for the co-operative article because of its purity. In the rains there is always a falling off in the supply. The steps prescribed

to meet this falling off, namely the formation of fresh societies, opening up of new areas and financing of the purchase of new cows were neglected with the result that the daily supply fell as low as 12 maunds and the societies met their contracts only with the greatest difficulty and at considerable loss. To add to their discomfiture foot and mouth disease became epidemic in several societies and the supply from these was completely cut off. The opening up of new areas would have counteracted the effect of this epidemic but the precaution was neglected.

Fortunately the worst is now over and the societies have benefitted by their experience. The supply is again increasing steadily and ere long it will probably exceed its previous maximum.

Bangabasi College Co-operative Stores, Ltd.

An Ordinary General Meeting of the shareholders of the Bangabasi College Co-operative Stores Ltd., was held in the Registered Office of the "Stores" at the Canning Hostel, 28 Scott Lane, on Sunday, the 10th September, 1920 at 1 p.m. The Report of the Directors for the year ending 30th June, 1920 is given below.

1. We, the Directors of the Bangabasi College Co-operative Stores Ltd., beg to present our Report on the working of the "Stores" during the year ending the 30th June, 1920.

2. After writing off the usual depreciations, the Revenue Account shows a net profit of Rs. 238-14-1½ which the Directors recommend, with a slight modification of the proposal of the Auditor, to be dealt with as follows :—

	RS. A. P.
To Dividend @ 7½ % ..	135 0 0
To Reserve Fund	
(1) Statutory 59 11 6¾	
(2) Additional 0 0 7¼	
To Bonus to :—	
(1) Members @ -/-3/- per head ... 38 13 0	
(2) Servants 5 5 0	
TOTAL ... 238 14 1½	

3. Making the necessary allowances for the long holidays, the usual period of our activities covers some eight months of which the first half was rather dull owing to unavoidable causes. On a consideration of this circumstance coupled with the unusual high prices of the articles with which the "Stores" deal, higher than those even of the previous year, our record as a whole may be pronounced as satisfactory, and the "Stores" has well maintained its reputation of the previous year.

4. Owing to unsettled fluctuation in prices, we had to be very cautious in the purchase of stores at wholesale rates. Profiteering has never been our object; the best interests of our members as consumers have always been uppermost in our minds, and "the best thing at the cheapest rate" has been our guiding policy. Two new features of our working this year have been first the importing of large quantities of pure *ghee* and unadulterated mustard oil from the remote mofussil, and secondly a wide publicity of our daily rates by means of posters and notice-boards.

5. In closing our report, we cannot but emphasise that the College Co-operative Stores is not merely a business concern to give dividends, it is not merely a common platform for teachers, students, and ex-students to work harmoniously with a view to develop a spirit of *camaraderie* and corporate life, but that it should rather be regarded "as a branch of a new social order, destined in the evolution of the race to replace the old antagonistic order which is fast passing away." The knowledge which our students, the young missionaries of Co-operation, will gain in the hard school of practical experience so far as the management of Co-operative Stores is concerned will, we hope, stand them in good stead in the future industrial development of the country with its immense untapped material resources. It is in this spirit that the Directors appeal to all new members of the staff and the newly admitted students to come forward and join this Co-operative institution as share-holders.

6. The present Board of Directors except the Principal of the College who is *ex-officio* chairman begs to retire in terms of By-law 28, but they are eligible for re-election and re-nomination.

*Audit Report of the Bangabasi College Co-operative Stores,
for the year 1919-20.*

CASH ACCOUNT.

RECEIPT :	EXPENDITURE :		
RS. A. P.	RS. A. P.		
Sale of goods Share Capital called up Admission fee Realised on account of credit sale of last year	9,121 10 71 360 0 0 40 0 0 2,200 0 0	Purchase of goods Shares withdrawn Contingent Exp Share in Federation Admission for Federation Reserve fund deposited in the Federation Bonus paid to members Dividend paid Rebate paid Bonus to Darwen	6,692 0 9 310 0 0 31 0 9 28 0 0 26 0 0 184 0 0 99 12 0 60 0 0 57 10 71 1 0 0
Opening balance	1,696 10 71	Closing balance	6,679 10 12 1,072 1 10 8 1 0 0
Total	Rs. 11,517 12 00	Total	Rs. 11,517 12 00

BALANCE SHEET.

LIABILITIES	ASSETS		
RS. A. P.	RS. A. P.		
Share Capital paid up Dividend to be paid Bonus to be paid Rebate to be paid	1,720 0 0 150 0 0 140 0 0 10 0 0	Cash in hand Premises Reserve fund deposited in Federation Share in Federation	6,672 1 10 12 6 0 0 1,110 0 0 1 1 0 0 1 0 0 0
Reserve fund	1,696 10 71 1,430 0 0 26 0 0	Total	Rs. 11,517 12 00
Net profit	1,696 11 66 1,430 11 11 26 0 0		
Total	Rs. 11,517 12 00		

THE AUSTRALIAN CO-OPERATIVE UNION

The most important outcome of the First Australian Congress of Consumer's Co-operative Societies held at Sydney was the laying of the foundation for an Australian Co-operative Union. In view of the fact that in most of the States there is not yet any adequate local Co-operative Union, it was decided that it would be unwise to attempt to elaborate a complete constitution for an Australian Co-operative Union. It was decided instead, to attempt to promote Co-operative Unions in the several States of Australia having uniform objects, and to leave to the next Australian Co-operative Congress the work of evolving some federal bond to unite these bodies together for common operations.

While the Co-operative Societies in the several States were left quite free as to the details of the constitution they would give to their Co-operative Union, the Congress recommended unanimity as to terms of membership and objects.

In view of certain peculiarities of Australian conditions, it was decided to leave the terms of membership slightly vague, the main restriction being that membership is confined to Societies carrying out Co-operative principles in accordance with the objects of the Union. The objects adopted to express the vital principles which the Congress desire should be those of the Australian Movement, are as follows :

1. To advocate co-operation as the true fundamental principle of industry.
2. To substitute in industry the motive of community service for that of private profit.
3. To promote, encourage and assist Consumers Co-operative Societies on "Rochdale" lines.
4. To make the Co-operative Movement a uniting medium for all healthy constructive and humanitarian forces, by inviting into it all who will further its industrial programme regardless of party, class or creed.

5. By means of special encouragement to the study of scientific economics and sociology, to make the Co-operative Movement a source of --

- (1) An enlightened social consciousness pledged to the material resources of Australia being administered to yield the highest individual development and the greatest general well-being.
- (2) A supply of fully qualified experts in social science for the public life of the Commonwealth.

6. To agitate for legislation to prevent the improper use of the word "Co-operative."

7. To carry on the trades and business of Accountants &c. (as per constitution of the English Co-operative Union).

If Co-operative Unions are formed in the various States on the above lines, it is to be the work of the next Australian Congress to draw these together by a Federal Constitution. In the meantime, a Committee which is to act as a temporary uniting medium between the State Unions as they are formed and to ensure the promotion of the next Australian Congress, which is to be held in Melbourne in about a year's time. -- *International Co-operative Bulletin, August, 1920.*

ADVANCE OF THE FRENCH CO-OPERATIVE MOVEMENT FROM 1914-1919.

The year book of French Co-operation for 1920 contains an interesting article from the pen of our colleague, M. E. Poisson, surveying the growth of the movement from 1914-1919. The following particulars are extracted from the report :-

The movement developed in a striking manner from 1914 to 1919, with the exception of temporary set-back experienced during the first months of the wars. Since then, however, development has been uninterrupted. Growth from the point of view of numbers is seen from the fact that in 1914 there were 3,250 societies, whereas at present they well exceed 4,000. In connection with these figures it must be borne in mind that in 1914 practically a third of the societies was situated in the invaded districts and have not yet been re-established; moreover as a result of the efforts towards concentration many small societies have become amalgamated with large ones.

Similar growth is to be noted in respect of membership. Before the war the total was 800,000, but the number now exceeds 1,500,000. Calculating a family to consist of four persons, it may be said that at present four million persons are organized co-operatively, being approximately one-tenth of the population of the country.

In 1914 the total turnover of the societies barely reached 300,000,000 francs, while at the present time it is approaching 1,00,00,00,000 francs, not taking into account the societies in the liberated districts which are now being reconstructed. Making due allowance for the considerable increase in the cost of living it may be said that the growth of membership has kept pace with the turnover.

In order to form a correct estimate of co-operative progress it is necessary also to examine growth of the central organizations. Development in this direction has been even greater than in the case of the local societies. The National Federation of Co-opera-

tive Societies, which in 1914 comprised 900 societies, now counts 2000. The volume of trade of the Wholesale Society has increased from 1,40,00,000 francs in 1914 to 7,50,00,000 francs during 1918-1919.

It is not only from the point of view of numerical strength that the French movement has to record substantial growth ; it has also undergone internal transformation. Societies are being more and more animated by the idea that they must not only become instruments for the more equitable distribution of wealth but at the same time a progressive economic force. Owing to the trend of development of capitalism the co-operative movement has felt the necessity of adapting itself to new conditions of work. Societies have endeavoured to bring their stores more up to date, to avoid leakage, improve their methods of book-keeping, and to have boards of management capable of coping with trading difficulties.

Notable progress has been made in the direction of unification and amalgamation of societies, and it is hoped that the establishment of large societies with multiple stores will ultimately succeed in abolishing the commercial profits of capitalist commerce. It is chiefly since 1918 that the movement in favour of the establishment of large district societies has made such strides. At present more than fifty such societies are affiliated with the National Federation. Foremost amongst these is the Union des Co-operatives at Paris, established in 1916. At the beginning of 1920 it had 220 branch stores, a membership of 27,000, and during the financial year 1918-1919, recorded sales to the amount of 3,70,00,000 francs. This organisation, which serves as a model for all others, is not only the biggest co-operative society in France but bids fair to becoming the largest in the world. The secret of its success is to be attributed above all to excellent management and systematic administration.

The role of Co-operation as an effective regulator of prices was particularly apparent during the economic crisis of the war. The French Societies do not restrict their sales to members, but also supply the general public, although the surplus realised from transactions with non-members is not distributed as dividend but allocated to the development fund or devoted to benevolent purposes.

In all economic matters affecting the national interest Co-operation has taken its place. At the beginning of the war it organised popular soup-kitchens and establishment workshops, with a view to providing the wives of combatants with the means of subsistence. In the industrial districts where there was a great influx of munition workers, the prices and charges for food and lodging were exorbitant. In certain of these localities co-operative stores and restaurants were established, with the result that prices fell considerably. The initiative taken by the co-operative societies in the matter of the supply of frozen meat to the public, has resulted in the growth of the butchery branch of the movement which previous to the war was but little developed. In Paris alone the co-operative societies now have more than 80 butcher's stores for the sale of frozen meat.

Co-operation having won the sympathy of the public, it was impossible for Parliament to remain indifferent to it. In 1917 a law was promulgated giving legal status to distributive societies based on Rochdale principles, a law which will one day become obligatory for all societies desiring to call themselves "co-operative."

The Superior Council of Co-operation, which defends the interests of Co-operation in Parliament, obtained the exemption from taxation of the war profits of societies, and also the more equitable application of the tax on income.

The public authorities have on several occasions given proof of their sympathy by organizing credit grants to Co-operation. For instance, the sum of 1,00,00,000 francs was granted for the reconstruction of societies in the invaded districts and another 20,00,000 francs to co-operative societies in general.

The co-operative movement to-day, as hitherto, aims at developing side by side with its material operation its works of solidarity : all the large societies are multiplying their activities for the common good.

Notwithstanding the enormous advance made by Co-operation during the last six years, the work which still lies before the movement is immense for private trade is still far more strongly entrenched than the co-operative movement.—*International Co-operative Bulletin, August, 1920.*

THE EXPANSION OF CO-OPERATIVE PRODUCTION.

[*By Prof. B. K. BHATTACHARJEE, M.A.,*]

The ubiquitous middleman is the curse of India. He raises the price that consumers have to pay and lowers the price that producers are entitled to. The result is that all trade is carried on today for the benefit of the man whose only function in business is to take my goods to give them to my neighbour or to take my neighbour's goods to sell them to me. He is undoubtedly a useful factor in commerce but instead of being one of the instruments of commerce he has assumed the position of the predominant factor. The Marwari or his brother in the trade is to be found in almost every village of Bengal taking away for a song the fruits of the peasant's yearlong labour on the strength of the advance that he had made to the peasant or on the strength of the ingenuity with which he can hoodwink the uninformed cultivator. Not infrequently he is merely one link in the chain and sells the goods to the local agents of the export houses or the merchants of Calcutta. From the local agents to the merchants is the next step that the commodity has to take before it reaches the consumer, though in the cases of goods exported it passes through a few more middlemen.

The reasons are not far to seek. As the last Industrial Commission observed : "The position of a peasant farmer, with grain, seeds or cotton to sell, and at the same time heavily indebted to his only possible purchaser, effectually prevents him from obtaining a fair market price for his crop. Even where the farmer is not burdened by debt, his business with the dealer is still very often on a per-contra basis, his purchases and sales being alike reckoned in cash in the dealer's books at a rate which is not always known to the customer at that time. The farmer owing partly to poverty and partly to the extreme sub-division of land, is very often a producer on so small scale that it is practically impossible for him to take his crop to the large markets, where he can sell at current market rates to the agents of the bigger firms".

It is not always realised that distress and poverty in India are due to the existence of this numerous troop of middlemen who intercept a large share of the peasant's profits. They are the parasites of Indian society and an organised attempt should be made to weed them out. It is strange that in an overwhelmingly agricultural country like India where, moreover, the small farmer is the unit of production the number of co-operative producers' societies is so small; every village should have its own society of producers, the societies being ultimately linked with one another for their own benefit.

Every primary credit society should be encouraged and allowed to extend its sphere of activity so as to include co-operative production and sale within its scope. The significance of this suggestion should not be lost sight of. I do not like the growth of separate societies in the same village or group of villages to cater for the separate needs of the same village or group of villages. It is wasteful and uneconomical to have "competing railroads running trains over parallel lines or retail stores existing in considerable number where one general distributing establishment could do the work". The municipalities in the West have found out to their cost that separate corporations for lighting the city or providing it with its water should not exist but all these functions should be taken over by the same Municipality. It is similarly wasteful to have a credit society, a grain store and a sale society in the same village or group of villages; every effort should be made to merge them in one institution, if only to save unnecessary duplication of the working machinery. If we forget this, we shall be forgetting the ideal of the co-operative movement as contrasted with that of the competitive system. Analysed closely, the co-operative movement is a phase of the broad movement of Socialism which, generally speaking, is a revolt against the wastefulness and class tyranny of individualism. It is necessary that every co-operator should keep this in mind.

The second reason why a primary credit society should take to co-operative production or selling, is that the members generally are peasants or artisans who have realised the possibilities of co-operation in one field of human exertion and can be easily induced and safely relied upon to carry the principle to practice in an

analogous field. This would be a strong incentive to the growth of Co-operative production. If every village primary society resolves today to undertake this new work we shall have tomorrow societies ready to take up co-operative production and sale instead of the societies that do the work now.

In the same way every existing co-operative producers' society should be allowed to lend credit to debt-ridden people and to take them under its wings. For after all co-operative sale is not possible unless the members are free to co-operate i. e., free from the clutches of mahajans, middlemen or matwaris. If the movement of co-operative production or co-operative sale is to be confined only to agriculturists who are free from debts the day is far away when the movement can grow to decent dimensions.

In short the existing societies are doing only one part of the work which it is their duty to do. To lend a man cheap credit should not be the alpha and omega of the existence of village societies. They should shoulder the further responsibility of helping him to bring forth a better crop or in increased quantity from the soil and to sell it to the best advantage possible.

The existing societies and the Government should co-operate to bring about this end. It is high time that all co-operators should consider the question of setting up a regular machinery to impress on the people the benefits of co-operative production and to extend the movement. This is not possible for the overworked staff of the co-operative department. The work has been started by the Bengal Co-operative Organisation Society but to carry on the work on a systematic scale larger funds and a body of trained men is necessary. In Denmark unions were started in large numbers long ago for the development of the milk industry by means of the organisation of exhibitions, the institution of lectures, the collection of various materials to make the economy of the dairies better known. A scheme like this should be set up here also with the aid of the Government and the co-operative societies already in existence. India is many times larger than Denmark and the machinery has to be many times larger also. But that is the reason why we should take up the matter at once and forge ahead.

PROCEEDINGS OF THE 2nd DISTRICT CO-OPERATIVE CONFERENCE, KHULNA.

The Second District Co-operative Conference was held on the 19th September 1920, at the local Coronation Hall. The Session commenced at 1 p.m. The gathering was large. More than one thousand people assembled there of whom about 400 were delegates from the rural societies in the district. The elite of the town both official and non-official were there. Representatives of the B. C. O. S., the Sanitary and the Agricultural Departments of Bengal also came down from Calcutta and took part in the proceedings. On the proposal of Babu Sailaja Nath Roy Chowdhury, Zamindar of Satkhira, seconded by Babu Upendra Nath Bose, Chairman, Municipality, Khulna, Mr. L. R. Fawcett, I.C.S., Magistrate-Collector, Khulna, took the chair.

The President having taken the chair 4 boys of the Khulna Zilla School sang two songs - one welcoming the delegates and the other inviting the agriculturists to come within the fold of the co-operative movement.

The President then opened the conference with the following remarks :

"Gentlemen,

It is a great privilege for me to be able to preside at this Conference, and a still greater privilege to welcome in the name of Khulna the distinguished visitors who are present here to-day.

Most of you were present at the Khulna Central Bank Annual Meeting which was held in this Hall this morning, and you heard the report of the year's work read out. Now there was one small remark in that report which I would feel inclined to challenge--and that remark was that during the past year there have been no obvious moral results of co-operation in the district. I think however that I can prove not only by argument--but by visible proof that this statement is untrue. The visible proof which I would adduce is the distribution of sticks and certificates presented by

the Government to those persons who devoted themselves to relief work after the late cyclone.

The cyclone is of course a household word throughout Bengal, but I would doubt if those of you who live in districts which were fortunate enough to escape the cyclone--can adequately realise the misery and destruction caused by it. Just as in the greater sphere of world polities and of commerce, every question which arises to-day must be regarded as materially affected by the war and its results, so in the small sphere of district administration I have found during the last six months (and I am sure that those who have assisted me will agree) that almost every question which arises is affected in some or other of its bearings by the fact of the recent cyclone. Yet amidst all the terror and misery of the cyclone there was one bright feature, and that bright feature--which we are commemorating to-day by distribution of sticks and certificates--was the knowledge that in the District and even in the smaller villages a spirit of mutual help and co-operation existed. The Lawyer left his briefs, the Police and Panchayets like fabled lions and lambs worked together for relief of the sufferers, and even the village Mahajan, Sir Daniel Hamilton's bugbear--shewed in some cases that the devil is by no means as black as he is painted. I think I am right in saying that in no previous calamity--famine or cyclone--has there been such evidence of the desire of the people to help each other as well as to help themselves; and this is the true spirit of co-operation. For this reason I assert that the co-operative movement has produced distinct moral results--and I should like all those present to-day who have in the past helped to organise co-operative societies to look on the sticks and certificates which I shall now distribute as feathers in their own caps as well as rewards to those who worked so well in cyclone relief."

Babu Jatindra Nath Ghose, Secretary, Khulna Central Bank, next read his report on the progress and possibilities of co-operation in Khulna District.

The president then distributed the following rewards awarded by the Khulna C. B. and B. C. O. S. :--

1. Khulna Central Bank reward of Rs. 50 to Babu Nani Gopal Roy, Assistant Secretary, Khulna Co-operative Stores, Ltd.
2. Khulna Central Bank reward of Rs. 20 and B. C. O. S.

watch to Pardit Bhaba Nath Smritiratna, Secretary of the only "A" class society in Khulna Sadar area.

3. B. C. O. S. watch to Babu Saroda Prosad Sen, Chairman of the only "A" class society in Bagerhat area.

4. B. C. O. S. watch to Babu Bhupendra Nath Chakrabarty, Secretary of the best society in Raruli area.

5. Khulna Central Bank reward of Rs. 20 to Munshi Mujdin Molla.

6. Khulna Central Bank reward of Rs. 15 to Babu Rukhsmini Haldar.

Next certificates and sticks were given to deserving persons in connection with Cyclone Relief Operations.

The following gentlemen then addressed the meeting and dwelt on the benefits of co-operation : -

- (1) Prof. P. Mukherjee.
- (2) Rai Lalit Kumar Mitra.
- (3) Mr. T. C. Roy.
- (4) Rai Shahib Tarak Nath Maitra.
- (5) Dr. S. P. Gupta, Special Deputy Sanitary Commissioner.
- (6) Mr. K. P. Roy, Chemical Analyst to the Sanitary Department, Bengal.
- (7) Mr. N. Gupta, Deputy Director of Agriculture.

The following resolutions were then discussed :—

I. That vigorous steps be taken to organize and develop co-operative societies in all their branches throughout the district and that in order to carry out the scheme Government be approached through the Registrar :—

- (a) To appoint at least three more honorary organisers for the district and
- (b) to appoint a special officer to organize Co-operative Societies in the south of Paikgacha and Shyamnagar Thanas.

Proposed by—Babu Jnanendra Nath Dutta Chaudhury.

Seconded by—Babu Hem Nath Banerjee.

Supported by—Munshi Khayaratulla.

The last named speaker was an agriculturist. He made a pitiful and effective appeal to the Zamindars and others to look to

the interests of the poor agriculturists especially in respect of Pasture lands.

THE RESOLUTION WAS CARRIED.

II. Babu Naba Gopul Chaki proposed and Rai Shahib B. C. Majumdar seconded the following resolutions :

That Registrar be moved so to redistribute the areas under Khulna and Raruli Central Banks as to include the area to the south of the Megnus and Chandkhali rivers, at present under the latter, within the jurisdiction of the Khulna Central Bank.

Babu Bepin Behari Chakrabarty, Secretary Raruli Central Bank, having expressed his willingness to take up the work of the area, the resolution was withdrawn.

Prof. P. Mukherjee then moved the following resolutions :—

III (a) That steps be taken to organise supply and sale societies chiefly of agricultural produce throughout the district and the Registrar be requested to depute adequate special staff for the purpose.

(b) That steps be also taken to establish a Central wholesale co-operative store in the town of Khulna to help the distributive societies in the district.

It was seconded by Babu Akhay Kumar Roy Chaudhury and supported by Babu Nagendra Nath Sen Gupta and carried.

Prof. Mukherjee moved also a resolution for starting a Branch of B. C. O. S. at Khulna; after a discussion as to its financial aspects and the undertaking of the Central Banks indicated in it, the resolution, having been reduced to the following form, was seconded and supported by the three Secretaries of the 3 Central Banks of the district, and carried unanimously.

That the following proposals be taken up for decision at once by the Central Banks concerned :—

(i) That a local branch of the B. C. O. S. be formed at Khulna with the members of all the Co-operative Societies within the district as its members;

(ii) That the cost of carrying on the work of the branch be borne by the 3 Central Banks of the district;

(iii) That the first Executive Committee of the local branch be consisting of the Secretaries of the 3 Central Banks, Circle Ins-

pector of the district, Rai A. L. Raha Bahadur, Babu Juanendra Nath Dutta Chaudhury, Babu Adwaita Charan Rakshit and Maulvi Shamsur Rahman with the Collector as Chairman to frame rules with a view to start work without delay.

Babu Indu Bhushan Majumdar then moved the following resolution :—

IV. That steps be taken to start Sanitary Societies in suitable places in the district and the District Board and the Central Anti-malarial Society be asked to provide necessary help for the purpose.

The resolution was seconded by Pandit Bhoba Nath Smritiratna and supported by Maulvi Syed Sultan Ali.

It was carried unanimously.

Babu Naba Gopal Chaki moved and Babu Surendra Kumar Sen seconded the following resolution :—

V. That steps be taken to start Cattle Insurance Societies as a special need of the district in order to cope with cattle mortality.

Rai A. L. Raha Bahadur opposed.

After a heated discussion the resolution as amended was passed in the following form :—

That the question of starting Cattle Insurance Societies as a special need of this district in order to cope with cattle mortality be considered by a Committee consisting of the 3 Secretaries of the B. C. O. S. and Babu Naba Gopal Chaki with power to add to their number.

Babu Abinash Chandra Mukherjee then moved :—

VI. That this Conference is of opinion that the deterioration of cattle in this district is due to want of adequate pasture land and requests the zamindars and land-owners to set apart sufficient pasture land for the grazing of cattle.

Babu Upendra Nath Chatterjee seconded and Munshi Tayabar Rahman supported the proposal.

After a discussion Rai Shahib B. C. Majumdar's amendment of insisting District Board in the resolution having been accepted the resolution was amended and was carried in the following form :—

"That this Conference is of opinion that the deterioration of cattle in this district is due to want of adequate pasture land

and requests the zamindars, land-owners and the District Board to set apart sufficient pasture lands for the grazing of cattle.”

Babu Rajani Kanta Mitra then proposed, Babu Akhay Kumar Mondal seconded and Babu Krishnadrin Das supported the following resolution which was carried.

VII. That a Standing Committee be formed with the representatives of Central Banks and District Agricultural Association for popularising the use of improved seeds, manures and modern methods of Agriculture.

The President then made the following concluding remarks :-
“Gentlemen,

Owing to the length of time which has been occupied by the conference to-day, I have been obliged to request speakers to curtail their speeches to some extent. As it is a principle of an abstract Justice that no person should impose on another a penalty which he should not consider justly imposed on himself under similar circumstances, I propose also to curtail my speech within the shortest possible limits.

We have heard many speeches to-day advocating measures for rural improvement. Some of the proposals are eminently practicable; some, I am afraid, are yet utopian. It would be impossible for me to touch even briefly upon the many suggestions —so I cannot but confine myself to saying that I am sure it has been —to every one present as it has been to me a matter of the greatest interest to hear these views which have been expressed to-day. We can fairly argue from the success of to-day’s meeting that while such interest in co-operation exists in Bengal—the future of the co-operative movement presents the brightest prospects.”

After which Rai A. L. Raha Bahadur proposed a vote of thanks to the Chair and to the invited gentlemen who kindly attended the conference and also the boys who sang the beautiful songs.

It was enthusiastically carried. The meeting then separated at about 5 p.m.

CO-OPERATION IN ASSAM

SUCCESSFUL YEAR'S WORK.

The resolution on the Annual Report on the working of Co-operative Societies in Assam, for 1919-20 shows the staff was strengthened during the year by the appointment of four Inspectors and an Auditor. This enabled the Registrar to adopt a more forcible policy than could safely be followed in the past. The number of co-operative societies rose from 387 to 475, their members from 15,421 to 25,318 and their working capital from Rs. 12,26,066 to Rs. 14,16,152. The reserve funds of Central Banks increased from Rs. 20,012 to Rs. 30,240, those of Agricultural Societies from Rs. 1,33,888 to Rs. 1,48,517 and of non-agricultural societies from Rs. 22,543 to Rs. 26,457.

Repayments during the year were fairly good. The Central Banks advanced Rs. 75,247 and recovered Rs. 58,220 in 1919-20, against Rs. 27,655 and Rs. 33,821 in 1918-19. Similarly, agricultural societies advanced Rs. 1,31,314 and recovered Rs. 12,26,066 to Rs. 14,16,852. The reserve funds of Central Rs. 82,523 in the previous year. The amount of loans overdue from agricultural societies to central banks was materially reduced. While credit for this is due to the staff, the Chief Commissioner is not able entirely to agree with the Registrar's remarks as to the material condition of agriculturists. Crops were generally good and high prices were, on the whole, to the advantage of producers. Cultivators as a class had more money to spare than they usually have. It is a matter for satisfaction that it was possible to bring some heavily indebted societies into a state of solvency. The progress of liquidation was however, still regrettably slow. The Chief Commissioner hopes that this year there will be considerable improvement in this respect.

In this Province, Supervising Unions have hitherto not worked well; there has been little or no improvement this year. Whether the work would not go on better without them is a question which will doubtless receive the Registrar's attention.

Criminal prosecutions of office bearers of societies, while necessary, were regrettably numerous. It is hoped that with the increased staff and better arrangements for supervision, the temptation to dishonesty will be minimised.

Non-credit co-operation made a particularly good beginning. The Chief Commissioner agrees with the Registrar as to the great importance of the accounts of such societies being properly kept.

A co-operative society of fishermen in the Barpeta sub-division made a promising start. Sir Nicholas Beatson-Bell acknowledges the help given by the Sub-divisional Officer, and by the honorary organiser; he relies on them not to relax their efforts.

With a view to facilitating the disposal of liquidation cases, the provisions of the Bengal Public Demands Recovery Act were, during the year under report, extended to Assam.

Rules have recently been issued on the subject of the making by co-operative societies of a provision for fluid resources and for bad and doubtful debts.

A Provincial Auditor was appointed during the year. A proportion of the growing cost of audit will now be met by the societies by means of a contribution levied on them. The perfecting of audit arrangements is a matter of great importance, which the Registrar will doubtless keep constantly in view.

There is perhaps no matter in which non-official help can be more useful than in co-operation. Hitherto, little has been given in this province. The Chief Commissioner welcomes the Registrar's assurance that it is gradually becoming more evident. His thanks are due to those—whether non-official or official—who have done their best to further the cause of co-operation in Assam. Credit is due to the Registrar for what he has accomplished in the face of considerable difficulties.

THE CO-OPERATIVE MOVEMENT IN BOMBAY

PREPARED BY

THE DIRECTOR OF INFORMATION, BOMBAY.

The problem of rural stagnation in India attracted much attention towards the end of the last century. The Bombay Government were among the first to recognize its importance and as early as in 1883 they took steps to help on a scheme for the organization of an agricultural bank. As, however, the Secretary of State took exception to the scheme, and as Acts like the Deccan Agriculturists' Relief Act (1879), Land Improvement Loans Act (1883) and Agriculturists' Loans Act (1884), were passed with the same object in view the Bank scheme was allowed to drop.

The Madras Government deputed Sir Frederick Nicholson to Europe, to study the movement for organising rural credit there. He summarised his conclusions in the words 'Find a Raiffesien,' by which he meant not only that rural credit societies such as those started by Raiffesien in Germany should be started, but also that genuine and devoted enthusiasts like Raiffesien were needed for the work. A few officers then started credit societies in some parts of India, but Lord Curzon, realising the importance of co-ordinated effort, appointed a committee under Sir Edward Law to suggest lines for the necessary legislation.

As a result of the deliberations of this Committee, the Co-operative Credit Societies' Act was passed in 1904 and the Officers then lost no time in setting to work. An idea of the progress made, may be gathered from the fact that the number of Co-operative Societies in the Bombay Presidency, which was only 12 with a membership of 219 in 1904, rose steadily to about 2,400 during 1919-20; and this in spite of the war conditions, bad seasons and the banking crisis. The Co-operative Societies' Act was later on amended in 1912 and its scope widened.

Last year's report for Co-operative Societies in the Bombay

Presidency contains two remarkable features. One is the classification of Societies into three groups or types as (*a*) Resource Societies, (*b*) Consumer's Societies (including Building Societies) and (*c*) Producers' Societies. This made easy the solution of the question as to which kind of Societies should be financed by the Provincial Co-operative Bank. The view was put forward by the Provincial Bank that while its first duties were to agricultural co-operation, yet it can, under proper safe-guards, finance all resources societies when required but it could not reasonably have any dealings with other groups and in particular with consumers' societies. This view was approved by the Government of Bombay. This convenient classification was suggested by the Registrar, who based it on investigations he had made in France.

The bulk of the Co-operative Societies are Agricultural Credit Societies. In the year under report their number rose from 1,648 to 1,003, and their working capital from 81 $\frac{1}{2}$ lakhs to nearly 108 lakhs. The growth of the reserve funds is perhaps the easiest test of the success of Agricultural Credit Societies and the funds have during the year grown from 5 $\frac{1}{2}$ lakhs to 7 $\frac{1}{2}$ lakhs.

Fully admitting the impressiveness of these facts, there are a certain number of thoughtful co-operators who have been inclined rather to doubt whether the provision of easy credit, unaccompanied by improved agricultural methods, has not actually done harm, by inducing a certain habit of extravagance and a certain callousness to debt. All people concerned with the movement must, therefore, thoroughly grasp the principle that the provision of credit to cultivators is of real benefit *only if the credit is used to obtain increased production.*

The best, if not the only way to secure this increased production is by organising non-credit societies to procure the cultivator the necessary resources in improved agricultural requisites. There were in the year under report only 102 non-credit agricultural societies, of which 26 were for the supply of manure, 19 for the supply of seed, and 13 for the supply of implements; 8 were dairy societies, 14 for cattle breeding, 4 for cattle insurance, and 18 for the sale of cotton and other agricultural produce. The condition of some of these Societies, such as the dairy societies and the cattle insurances societies, is very disap-

pointing. Steps have, however, now been taken to establish a closer touch between the Co-operative Department and the Agricultural Department. It is moreover contemplated to employ agricultural graduates as organisers under the Assistant Registrars. The whole question is going to be further ventilated and discussed at the next Provincial Conference. A hopeful feature of the Agricultural Credit movement this year is its extension in Sind, in spite of great difficulties.

By far the largest number of non-agricultural Credit Societies exists in Bombay itself. It is to be regretted that the large towns of Poona and Ahmedabad have not followed this example to any extent worth mentioning. At present practically no banking facilities exist anywhere except in the Presidency City. It is hoped that the Urban Credit Societies will succeed in providing those facilities which are so badly needed. An important class of societies in this group is that of the Weavers' Societies, weaving being the only cottage industry with regard to which the Co-operative Movement in this Presidency has made progress. These societies seem to have recovered from their previous year's bad condition much more rapidly than was anticipated.

There are now 14 Central Banks in the Presidency as compared with 12 during the last year. These banks are intermediaries between the primary agricultural societies of an area and the Provincial Bank; they are, therefore, expected to play the most important role in the control and finance of agricultural societies. The result of last year's work of the Bombay Central Co-operative Bank, which is really the Provincial Bank of this Presidency, was satisfactory, and as the finance of the whole movement depends ultimately upon the management of this bank, the thanks of all concerned are due to the Board and the Manager. Reviewing the Resource Movement as a whole, it has been pointed out that its reserve fund amounted to 13.50 lakhs and the profits to 5.89 lakhs. The movement has done a great service to the country by bringing into circulation money which a few years ago would have been kept in hoards, and would have been lying unproductive.

With regard to the Consumers' Movement, the number of stores is still only twenty. But this branch has been taken in

hand only recently, and from December last a special Assistant Registrar has been appointed to encourage the movement. A Wholesale Society has also been organized in Bombay.

The organization of Co-operative Building Societies has made very good progress this year, for which credit is due to the Bombay Co-operative Housing Association, and its energetic Secretary, Rao Bahadur Talmaki. Fourteen new Societies were organised during the year. The movement is, however, faced by a very real difficulty in the present heavy cost of labour and building materials. These Societies also require expert guidance in Engineering and legal matters.

A special feature of the Co-operative Movement in this Presidency is the help it has received from non-official workers in the organisation of new Societies. The Central Co-operative Institute, which is a non-official body instituted for focussing all non-official co-operative activities, did extremely useful work during the year by means of its Co-operative journals, training classes, lectures, etc. A Provincial Conference was held at Poona in September, and was opened by His Excellency the Governor. There were some ten small conferences organised by various local co-operators, at their own expense, the Department making a supplementary grant wherever necessary.

The Government of Bombay has consistently befriended and supported the Co-operative Movement, as being the true key to rural reconstruction and progress in this Presidency. It has always welcomed warmly non-official effort, and now that the department is to pass into popular control, it is the more necessary that the public generally should realise the importance, and the great potentialities of the Co-operative Movement in Bombay Presidency.

RESOLUTIONS PASSED

Resolutions passed by the last Bombay Co-operative Conference.

Among the resolutions discussed by the Conference, the one which evoked the keenest interest and at the same time divergence of views, was that and relating to the appointment of a Co-operative Board. The other resolutions passed included one regarding the donation of Sir Vithaldas Thackersey for night schools, the system of finance with special reference to the introduction of cheques and discounting business, the increase of share capital of District Banks, organization of further Urban Banks and the need of a Producers' Bank what organization was required in Bombay City, the recommendations to meet the needs of Building Societies and provide for their rapid and successful extension and several others.

I. That the committee is of opinion that Government be recommended to appoint a Advisory Board as recommended by the Registrar, but the number should be 18 as follows :- The Director of Agriculture, the Director of Industries, the Director of Public Instructions, three members to be nominated by Government and twelve elected by the Bombay Central Co-operative Institute of whom at least two will represent the Provincial Central Bank, four Resource Societies, one the Consumers' Societies and one the Producers' Societies.

Two amendments were moved to this resolution, both affecting the constitution of the question be postponed till the next Conference. The last amendment, moved by Mr. Joshi, was then put to the vote and carried.

II. That while this Conference conveys its best thanks to Sir Vithaldas D. Thakersey for his continuing to maintain at his cost forty night schools, it puts on record its view that the work of the night schools conducted so far has been satisfactory and encouraging and that, in view of the deed for further continuing and developing this scheme with the aid of the fund promised by

Sir Vithaldas, it recommends to the Government of Bombay to undertake to help the night schools movement, by providing, at their cost, the necessary special supervision and inspection on the present lines with such improvement as shall be recommended by the Committee. And that it further recommends the appointment of a Committee to go into the whole question of providing the machinery for the management, control and supervision and to settle the details of its work for a period of 1 years. That the Conference further approves of the plan of the continuation of the work ; as described by Messrs. Deodhar and Madan in their papers on this subject, and asks this Committee to go into the various suggestions made in other papers.

III. This Conference recommends that it is desirable for Central and Urban Banks to introduce the use of cheques against current accounts and cash credits, and to undertake the discount of short term hundis and trading bills on behalf of members and of Co-operative Societies. The obligatory contribution by primary societies to the share capital of District Banks should be raised to one-twentieth of their maximum borrowings. That since the rate of interest charged by the Provincial Bank has been raised from 6³/₄ to 7¹/₄ per cent., the corresponding rate charged by District Banks must be raised by at least 1% per cent. above its present level. This will afford a means of offering better terms for capital subscribed by the public. Concurrently with this the Central Banks must strengthen confidence by an adequate inspecting staff. That the organisation of further Urban Banks was certainly desirable.

IV. That a committee of 5 persons, representing the Central Banks, the Co-operative Institute and including the Assistant Registrars should be appointed to make definite recommendations for the purpose of establishing a service of trained managers.

V. The next resolution was regarding the scale of audit fees to be charged to Urban Societies based on their working capital. In this the Sub-Committee endorsed the conclusions of the special committee on audit appointed by last year's Conference.

VI. Another resolution recommended the prohibition of the acceptance of non-members as sureties by all co-operative

societies, but that the Registrar might be authorised to exempt individual societies.

VII. The resolution recommended the prohibition of the acceptance of non-members as sureties by all co-operative societies, but that the Registrar might be authorised to exempt individual societies.

VIII. This Conference recommends that the work of organisation in the City of Bombay should be carried on by starting a separate branch of the Bombay Central Co-operative Institute. The branch should carry on propaganda in the following way :—It should hold a City Co-operative Conference. It should arrange two public lectures every year by leading co-operators from the Presidency or from outside, in order to enlist the sympathies of prominent people in Bombay; it should arrange weekly lectures on co-operative subject through the already existing social and other clubs and through co-operative societies; it should arrange weekly lectures or talks in chawls and localities inhabited by the masses; it should hold training classes in general principles of co-operation for organizers and others interested in co-operative. The organization should be carried out through honorary organizers appointed by the Co-operative Institute, honorary organizers appointed by the Government and working in co-operation with the Co-operative Institute, through public bodies, like the Social Service League.

As regards the important question about the organisation of societies for mill-hands the conference is of opinion that it would be desirable if the whole question were referred to a board, consisting of representatives of the Co-operative Institute, of the mill-owners and of the mill-hands and of such bodies as the Social Service League, with some departmental officers on it.

IX. A resolution re-affirmed the resolution passed last year regarding the desirability of starting development committees in advanced areas, but suggested that such committees should be started as branches or sub-branches of the Bombay Central Co-operative Institute.

X. A series of thirteen resolutions were next moved by Mr. F. A. C. Rebello, which made a number of recommendations to meet the needs of Building Societies and provide for their rapid

and successful extention, such as assistance of a competent Government Officer free of charge, regarding the layout of land facilities for transport of material and numerous others.

The Registrar's amendment that the recommendations be recorded, was carried.

XI. The last set of resolutions related to the finance of Cotton Sale Societies with special reference to the condition of compulsory sale through such societies, imposed by some credit societies on their members.

NOTABLE UTTERANCES

*Extracts from H. E. Sir George Lloyd's opening speech at the last
Bombay Provincial Co-operative Conference.*

It must, I think, be admitted that the agricultural movement still lags behind in the matter of organising agricultural non-credit societies. It has perhaps not yet been sufficiently understood that the test of co-operative success in agriculture is an increase of productivity and that this increase can only be obtained by organising separate agricultural co-operative societies for supplying the cultivators with the most improved resources in seed, manure, implement, irrigation and the like and with co-operative means for the sale and marketing of their produce. At present I find that there are only 162 Non-Credit Agricultural Societies in the Presidency, of which 26 are for the supply of manure, 10 for the supply of seed and 13 for the supply of implements, but if co-operation is to be operative as strongly and vigorously in the direction of agricultural improvement as it should, then, judging from the experience of other countries, we ought to have nearly three times as many Non-Credit Societies as we have Credit. In other words, the total number for the Presidency ought to be about 6000 societies instead of the 162 which have actually been attained. There is therefore a great deal of hard work before the Department, and it will need all the help it can obtain, both from non-officials, organized through the Co-operative Institute or through Taluka Committees, as well as from the Director of Agriculture and Government.

It may perhaps be necessary to provide for more paid agricultural organizers who should be agricultural graduates in expert training, and the question may arise as to the funds or grants from which the pay of such further establishment is to be met. These subjects are coming before one of the Sub-Committees of the Conference, and I hope they will meet. I need hardly again repeat that any suggestions will receive careful and sympathetic consideration.

URBAN CREDIT MOVEMENT.

A subject which is of the greatest importance, not only to the co-operative movement as such, but to the development and prosperity of the

Presidency as a whole and in particular of its commerce and industry, is the growth and extension of the Urban Credit Movement.

At the present moment we have in this Presidency 273 Urban Credit Societies. These vary from strong and important societies with a limited liability, which are really Peoples' Banks like the famous Luzzati Banks of Italy, down to small unlimited Urban Societies, whose main achievement is to obtain easy credit for a restricted class of poor people. In Bombay alone there are not less than 111 Urban Credit Societies, but I notice with great regret that the cities of Ahmedabad and Karachi have only got 6 and 4 Societies respectively. This year the limited Societies alone had 63,000 members and a paid up share capital of 17½ lakhs, with a working capital of sixty-eight lakhs. Several of the Banks had already attained a working capital, which amounted to well over 3 or 4 lakhs. One type of this Society which is unknown outside of India, is in this Presidency very flourishing indeed and that is the communal Societies, formed to meet the needs of one definite cast or community.

Now gentlemen, it will be clear to you that in a Presidency, which is so much more largely industrial than any other part of India, these Urban Credit Societies have an increasingly important part to play. As they grow and extend they bring new promises of progress and prosperity to artisans, to the smaller merchants and to local industry, but their utility is by no means confined to the assistance they can directly give to these classes by way of loans and support. A bigger task lies before them. At the present moment, outside of Bombay City it may be said almost without exaggeration, that no banking facilities whatever exist, nor is there any great likelihood that the joint stock banks will take up mufussil banking to any considerable extent in the near future. The co-operative movement has, therefore, lying before it a virgin field, and I see no reason why co-operative banks of the Luzzati type should not penetrate the whole field and take up the work of supplying this Presidency with a banking facilities which are obviously required for its prosperity.

PRODUCERS' MOVEMENT.

The industrial producers' movement had, it must be admitted, never been seriously attempted in the past. Till this year only two such societies existed in the Presidency, neither of them had entirely the correct form of a producers' society.⁴ By the beginning of the rains, however, the Department was able to issue a leaflet and model bye-laws for such societies, and

I am now informed and am happy to say, that there are hopeful signs that the movement will find support. Two new societies have already been registered and brought into working order since that date. The Copper-smiths of Poona and the Dyers of Ahmedabad have combined to form societies of this type. It is clear, however, that the producers movement if it is to grow requires financing. My Government has allotted a small grant which may be used for giving loans under the rules to Producers' Societies, formed on an unlimited liability basis and proposals from the Registrar to extend these loans to limited liability societies are under consideration. It is, however, doubtful how far my Government will contemplate any large extension of the grant, and in any case it is obvious that such societies would also require frequent loans against the security of goods manufactured and ready for sale, a class of business for which Government Loans would certainly not be suitable. It appears probable, therefore that a Central Producers' Bank will be required for the finance of such societies, and it is undoubted that such a bank would also be extremely useful as an organising and propagandist body. I am happy to be informed by the Registrar, that there is a fair prospect that such a Co-operative Producers' Bank will shortly apply for registration. The gentlemen who are promoting this institution, wish, I understand, to form it in connection with the Commercial Museum managed by Mr. Ranade, which already exists in Bombay, and I trust that they will take up the promotion of this Bank with continued energy and enterprise.

BUILDING SOCIETIES.

The movement for Co-operative Building Societies is also showing healthy signs of progress. Fourteen new Housing Societies were organised during the year and at the end of March there were already 21 in existence. It must be admitted that, while organisation had proceeded so well, the further operations of building were less satisfactory. A very real practical difficulty is the enormous price of labour, bricks and materials. I understand that efforts are not being made in Bombay City, to found a union, which could contract as a joint association for material and labour and thus secure them cheaper, but, it is so far too early to feel certain whether the proposed Union will be able to come into a real existence. The Department also has very great difficulties in dealing with Building Societies and further expert assistance at some stage or other seems to be required. I notice from the agenda, that a sub-committee is going to deal with the subject and

I trust that it will be able to make useful suggestions for the guidance of the Department and for proposals to be submitted to my Government.

Gentlemen, it has been a pleasure to me that the Central Co-operative Institute, of which I am the President, has during the year been gradually finding its field and has been able to undertake extremely useful work. The Institute has, at the suggestion of the Registrar and with the active help of his assistant Mr. Madan, organized a carefully thought out and systematic course of lectures on Co-operation at the Wilson College which I believe bear good fruit in the future. The publication of the Bombay Co-operative Quarterly, a really model publication, is a monument to the Institute. The Institute has now established a permanent Standing Committee, which meets regularly once a fortnight and with this Committee, I have every reason to hope that the Institute will become a real directing and organising body for the whole co-operative movement. Unfortunately, the Institute suffers at present from the want of a suitable building and even of a suitable site for building. Until that problem is solved, it can hardly, I fear, be able to cope as satisfactorily as one would desire with its duties. The Registrar is, I believe, in search of a suitable site and I understand that he may shortly be able to lay proposals in regard to a site before my Government for its consideration. The Provision of funds for the building is however, a matter which might well obtain the consideration of wealthy and public spirited gentlemen in Bombay, and no matter appears more suitable for the beneficence of a public spirited donator.

REVIEW

Krish Samachar—A project of Agricultural insurance by Arun Chandra Roy of Jhendahala, Jessore.

Any project for the improvement of the lot of our poor cultivators deserves the best attention and thought on the part of every one interested in their welfare. This is a project of "Crop Insurance" and has been formulated with the best of intentions.

But at the same time experience has taught us to look on all such projects somewhat pessimistically, specially when they are not based on the bed-rock of co-operation. In particular we entertain grave doubts about the sound working of the plan by a class of people who are to be selected irrespective of their character, antecedents and business-knowledge.

As to the amount of premium settled it seems arbitrary and fixed

without reference to any scientific data. The emergencies to guard against which this insurance is recommended, are sure to be of a general nature. Is it possible to cover such risks of a general nature by the very paltry provisions the project makes.

Our cultivators are more likely to furnish wrong or very incorrect data in mentioning the particular rule a (*Ka*). Provisions (2) and (3) of the same rule and generally many of the other provisions also leave much room for quarrel and dispute.

There seems to be some elements of the Co-operative Principles in the project, but unfortunately not all.

We venture to think however, that the project should be first considered by a body of experts and the rules reconsidered and recast and then, if possible, as an experimental measure, the project may at first be tried in a few village Co-operative Societies of the A. and B. classes—and, if found successful, then, it should be introduced as widely as possible.

On the whole we heartily thank Babu Arun Chandra for his project and subject to the above remarks we wish it all success.

(Sd.) T. N. MAITRA,
Deputy Chairman,
Pabna Central Bank.

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III. Complaints about the non-receipt of the Journal should reach the Office within 15 days of the month after the month of issue.

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V. All remittances should be sent to Mr. N. C. Bose, Hon. Treasurer, *B. C. O. Society*, 6 Dacre's Lane, Calcutta.

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1921

THE

CBENGAL, BIHAR & ORISSA E CO-OPERATIVE

JOURNAL

VOL. VI

No. 5

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December 1911.

Editor:

Mr. J. C. COOJEE, B.A. (Cantab),
L.L.B.

Presidency College, Calcutta.

Asst. Editor:

PROF. P. MUKHERJI, M.A.,
B.G.S. (Oxon) F.R.E.S.,

Presidency College, Calcutta.

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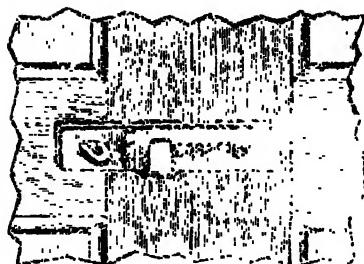
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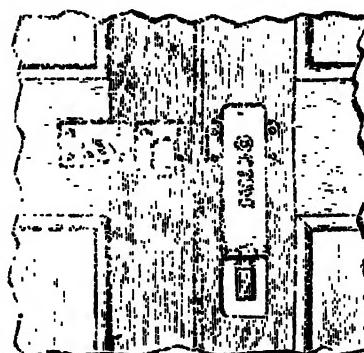
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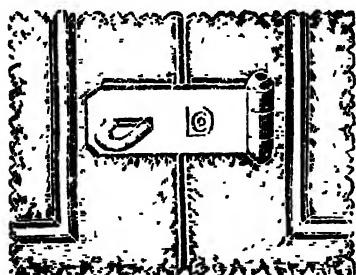
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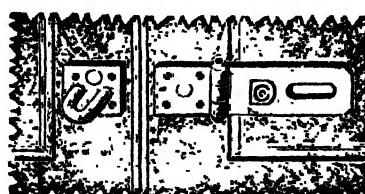
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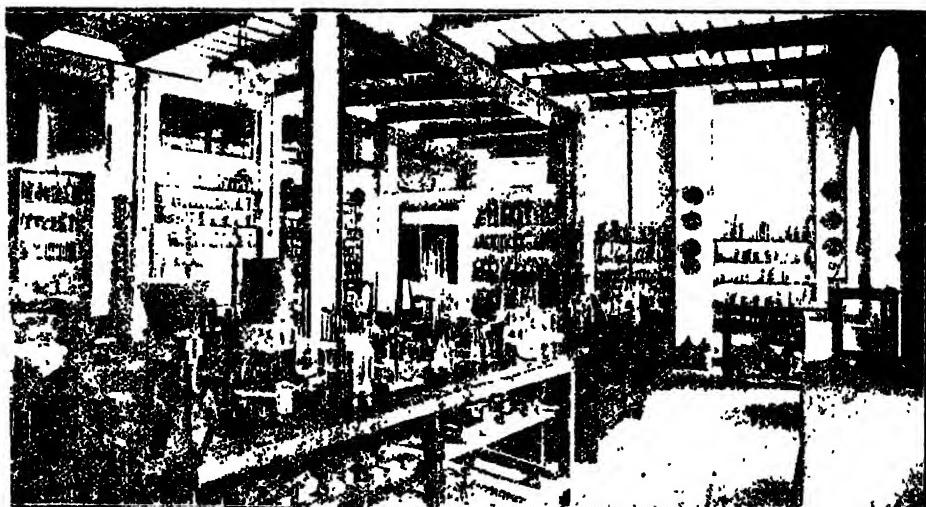
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Vol. VI

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No. 5

NOTES AND NEWS

The recent speeches delivered by the Hon'ble Nawab Syed Nawab Ali Chaudhuri, Bengal's new Minister for Co-operation and Agriculture, reveal a robust optimism and a comprehensive grasp of the situation which augur well for the future of Co-operation in Bengal. He has all along taken a keen personal interest in the development of the movement and is conversant with its details and intricacies, and he gave a further proof of it by declaring his willingness to join the Bengal Co-operative Organization Society as a Patron. We hope the Bengal Co-operative Organization Society will continue to prosper and extend its activities under his *regime*. May we, in this connection, draw his attention to the request made by the Hon'ble Maharaja Bahadur of Kasimbazar, for lending the services of an expert Inspector of the Co-operative Department to the Bengal Co-operative Organization Society to enable it to carry on its propaganda and educational work in a more diversified form?

~ ~ ~

H. E. the Governor's Inaugural Address at the Eleventh Provincial Co-operative Movement contained a sympathetic

reference to the work carried on by the Bengal Co-operative Organization Society and the welcome announcement of a donation of Rs. 500 by the Naogaon Ganja Cultivators' Society in furtherance of the objects of the Bengal Co-operative Organization Society. His Excellency's sympathy and encouragement have always been a source of strength and inspiration to the Bengal Co-operative Organization Society and its members should make redoubled efforts to make the Society truly representative of the Co-operative interests of the Presidency.



The Hon'ble Maharaja Bahadur's speech at the third Annual General Meeting of the Bengal Co-operative Organization Society contained a timely appeal to all - especially the zemindars

to join the Bengal Co-operative Organization Society and to further the cause of Co-operation in Bengal. The Maharaja has set an example which should be followed by all his compeers : he uttered the very truth when he declared - "any movement which aims at uplifting the ryot's economic condition should receive the whole-hearted sympathy and support of the zemindars" : the co-operative movement is pre-eminently such an uplifting movement, and self-interest, if no higher motive, should draw the zemindars into the ever-widening co-operative commonwealth.



The Hon'ble Maharaja drew pointed attention to the necessity of founding University chairs for encouraging the comparative study of co-operative theories and practices. In view of the establishment of new universities and the reconstitution of the University of Calcutta, this suggestion is deserving of the serious attention of the academic authorities. A movement of such vital importance and ever-widening influence should have a recognised place in the curriculum of all Indian Universities, and the University which will be the first to institute a chair of co-operation will receive the homage of gratitude from all co-operators in India.

A noticeable feature of the recent session of the Bengal Co-operative Conference was that many speeches were made in the vernacular: it was also resolved that a vernacular version of the proceedings of the Conference should be circulated amongst all Co-operative Societies in Bengal. This is certainly a move in the right direction.



At the third Annual General Meeting of the Bengal Provincial Co-operative Federation a non-official Bengali gentleman ---Mr. I. B. Dutt, M.L.C., of Comilla--- was for the first time appointed Chairman of the Federation for the coming year.



Our readers will note with pleasure that Sir P. C. Ray has been unanimously elected President of the Bengal Co-operative Organization Society for the current year. It may not be known to our readers that it was in his rural home that one of the first Co-operative Societies was started in Bengal. We hope Sir P. C. Ray's example will be followed by his educated countrymen and they will join the Bengal Co-operative Organization Society in ever-increasing numbers.



Rai Lalit K. Mitra, a son of an old zamindar family of Calcutta, has joined the Bengal Co-operative Organization Society as a Life-member.



Looking to the number and importance of the subjects discussed at it the Eleventh Conference Co-operative Societies held in Calcutta at the end of last February must be pronounced to be an unqualified success. Naturally enough some of the subjects had already been objects of deliberation at the earlier Conferences but the number of fresh topics introduced at the last Conference was unusually large and interesting and included such subjects as the formation of Unions under Central Banks with a view to the decentralisation of inspection, the organization of Supply

and Sale Societies including both producers and consumers, the amalgamation of Co-operative Societies and Agricultural Associations and the formation of combined Credit and Sale Societies. It was noted that the level of discussion was uniformly high and the members showed not only matured powers of argument but also a deep insight into the nature and form of Co-operation which did them great credit. It illustrated the view that the best co-operative education could be given only by the practice of Co-operation. If the growth of Co-operation is to be measured, among other things by the mature views of the leaders of Co-operation, then Bengal must be congratulated on its conspicuous progress in the field of Co-operation.



The first topic to be discussed was the provision to be made in the balance sheets of Central Banks for depreciation of Government securities. It was of course obvious that all banking institutions should make suitable provision for such depreciation and the discussion centred round the question who was to pay the piper. One set of debaters argued that the Central Banks were in the position of trustees for the primaries and that a trustee should restore the full amount that he had received on behalf of his wards. It was also urged that the Central Banks had in many cases made as much as ten per cent. on the funds received from the primaries and had paid the latter a much smaller percentage. The other side could however urge that the sacrifice was a patriotic one and the rural societies should not shrink from their share of it. Moreover, if the Central Banks had always to bear the risk of depreciation of securities they would have to raise further the rates which they charged to primaries. In the end it was decided that the loss from the depreciation should be borne by the primary societies only when the Central Banks acted merely as their agents.



The Conference then proceeded to consider the advisability of the view "that awards of arbitrators be recoverable by the certi-

ficate procedure instead of through the Civil Courts." On one hand it was urged that this was a proposal which went against Co-operative principles, and indeed, if once adopted the procedure would be extended to all cases in which money was claimed by a society from the members. It was also doubted whether time would be saved and money be recovered any earlier by the certificate procedure through the Collector. To these arguments a powerful rejoinder was given by the Registrar of Behar and Orissa. He showed that the societies were not likely to proceed against any but dishonest members and in their case punishment had to be swift. In Civil Court suits expenditure of all kinds--proper and improper--had to be incurred and hence the societies were most unwilling to proceed by way of civil suits. Those who have to execute decrees in the ordinary way are not without a bias against executive action and hence it was best that the Collector should execute these awards.



The debating interest of the Conference rose to its height when Mr. Indu Bhushan Dutt developed his scheme for multiplying the number of Inspectors and for reducing that of Assistant Registrars. The place of these latter was to be taken to some extent by an additional Personal Assistant to the Registrar. Mr. Dutt's idea was to have a larger number of officers at the lower grades to push forward the work of development and to secure finance for this movement he would abolish the Assistant Registrarships. It was true--he argued--that the new inspectors who would be graduates and join service on Rs. 30 a month would be inexperienced at the start but they would soon acquire experience as at present the Honorary organisers did. For financial reasons, again, Mr. Dutt was against the appointment of Deputy Collectors with their travelling and other allowances--as Assistant Registrars. As the Inspector would be local officers they would not draw travelling allowances. Mr. Dutt referred to the burden of agricultural debt in Bengal and to the reduction in the average membership of the rural societies as features which called for reorganization on the lines which he suggested.

Mr. Dutt's views were, however, controverted by several members, among others by the Registrars of Bengal and of Bihar and Orissa. The reduction in average membership of societies was due to the splitting up of unwieldy societies. Agriculturists having to wait for harvest time for the return to their labours must be in debt; the main consideration is whether the debt is incurred for productive purposes and on reasonable terms. In many lands since Co-operation has been started credit has grown. Referring to the figures of co-operative growth we find that we have covered as much ground in the three and a half years since 1917 as in the fifteen years preceding that year. At this rate in the next fifteen years Co-operation will have reached every village in Bengal; and this rate has been reached since the appointment of the Assistant Registrars. The abolition of these Assistant Registrars will not give us enough financial facilities to appoint fifty Inspectors besides another Personal Assistant to the Registrar. It was not true to allege that there was more "de-officialising" of the movement in Burma when there were more officers in the Co-operative service there than in any other province. Again only two years ago more money was spent by Government on Co-operation in Burma than was expended on any other province.



To us it appears that in this controversy the point at issue has not been clearly perceived and kept in mind and hence some irrelevant matter has been introduced. There was no need of introducing phrases like "de-officialisation" and "decentralisation" in the speeches. *The question was a purely fiscal one.* Mr. I. B. Dutt very properly desired to enlarge the number of Inspectors - an aim which all would join in supporting. But as the present grant for Co-operation was not large enough for the purpose he was compelled to point out some source from which the additional money was to come and he was led to suggest the abolition of the Assistant Registrars. Properly interpreted his suggestion had nothing to do with "de-officialisation" since he wanted an increase in one grade of officials and a decrease in another. True "de-officialisation" will, we hope, be reached in

course of time when in each district we shall have at our disposal a number of competent voluntary workers who will be willing and able to devote several hours *every day* to the routine work of Co-operative administration. It is needless to say that we have not reached that stage yet and hence in spite of the existence of a few able and enthusiastic volunteer workers in our midst--we cannot begin "de-officialisation". We entirely agree with Mr. Dutt that we want more Inspectors indeed we want many more than the fifty which he too modestly proposed. But if we have a much larger volume of developmental officers and propaganda work we shall be the less able to dispense with the higher controlling agency. Mr. Dutt tried very conscientiously to cut his coat according to the cloth; but the cloth in question- *i.e.*, our financial resource is so short that no coat can be made out of it to fit the growing body of our healthy co-operative system and efforts are made to achieve the impossible and to make the coat longer by cutting down the sleeves. There is the happy circumstance, however, that keen co-operators like Mr. Dutt are in the Council and they should form a co-operative party which will enable us to obtain larger grants. Surely agriculture is the chief "interest" of India and the source of all its prosperity; and when considering the expenditure of revenues agriculture should take the precedence of all other matters; and the best way to help agriculture is to promote Co-operation.



Although Co-operative Societies have not been given the right of representation in the local Legislative Council, it is pleasing to find that the movement is strongly and sufficiently represented by the following well known Co-operators of the province :—

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3. Babu Surendra Nath Mulliek.
4. Rai Mahendra Chandra Mitra Bahadur.
5. Babu Nitya Dhone Mukharji.

6. Raja Manilal Singh Roy.
7. Rai Abinash Chandra Banerjee Bahadur.
8. Maharaja Kshaunish Chandra Roy Bahadur.
9. Babu Surendra Narayan Sinha.
10. Babu Indu Bhushan Dutt.
11. Babu Kishori Mohan Chaudhuri.
12. Khan Bahadur Maulvi Wasimuddin Ahmed.
13. Rai Upendra Lal Ray Bahadur.
14. Kumar Shib Shekhareswar Roy.
15. Mr. C. W. Rhodes, C.B.E.
16. Mr. R. H. L. Langford James.

THE CO-OPERATIVE MOVEMENT IN FACTORIES

By MR. C. G. B. STEVENS, I.C.S., Deputy Registrar,
Co-operative Societies, Bengal.

It is no matter for congratulation that, in spite of the great strides that the co-operative movement has made in Bengal during the past few years, the factories have as yet remained almost untouched. A beginning has, however, been made by the establishment of a limited liability co-operative credit society in one of the Government Ordnance Factories. Its development will be watched with very great interest, and the principles found to be acceptable in this society copied in other factories.

The factory in which this society has been started employs about 4,000 hands, of which number nearly half have become members : at present they are working on share capital alone, and have already set aside part of their capital for the opening of a co-operative stores as a branch of the credit society.

There probably exists much misapprehension of the magnitude of the indebtedness of the average factory worker in the urban areas round about Calcutta : a rough calculation in one factory yielded the figure of Rs. 150 per head as the average debt to maulajans and shopkeepers. From the heavy amounts remitted up country from the mill areas by money order one is tempted to assume that these amounts represent savings : probably this is far from being the case, and these sums are nothing but contributions to other members of the family, who are almost entirely dependent on them. Even those who are heavily in debt are forced to make such remittances to their relations in Madras and the Upper Provinces.

The proximity of most of the big factories to Calcutta, and the amount of spare time which the workers have (often they only work 4 or 5 days in a week) are factors which provide numerous opportunities for extravagance : gambling is rife,

though forbidden by law, and the drink shops are generally full when the day's work in the mill is over. The average mill hand has never been thrifty, and is content to fritter away his earnings as soon as he receives them, caring nothing for the future, and heedless of the growing number of his creditors. If the habits of *thrift* are to be encouraged, the co-operative department is undoubtedly the agency through which this can best be brought about.

The starting of a co-operative society in a factory requires an enormous amount of spade work : the spirit of mutual trust has to be created, the habits of generations upset. The society must be controlled or at least guided at the outset by some one whom the workers will trust, and generally they are loth to trust anyone except the Manager and his assistants, who are generally Europeans. It is to these gentlemen, therefore, that we look to take the initial step in the matter.

With the recent tremendous profits in the jute trade, and the phenomenal increase of business, managers are generally so heavily overburdened with their ordinary duties as to have little time or energy left to devote to the development of co-operation amongst their workers, though it is generally realized that it is to the interests of the management as well as of the workers themselves that the latter should be a contented set of men, freed from the rapacity of the money-lender, and able to act for themselves. One of the chief difficulties in the way of establishing a society based on mutual goodwill in a factory is the absence of the personal relations between the Manager and the workers : this is almost inevitable in a factory employing five or six thousand men, many of whom come and go, staying only a few weeks : in a tea garden, where the workers are settled on the garden, and have little or no inducement to go elsewhere, staying many years in the same place, doing the same work, this personal relation is frequently very strong. Yet in spite of this, the co-operative movement has made little or no progress in the tea gardens.

In the one factory society which was started last June to which I have already made reference, the Superintendent is the life and soul of the movement : but for him, the society could

never have been started : but the creation of the society and the conduct of its business has brought in many honorary workers who are learning for the first time the immense possibilities of the movement : the seeds thus sown will in time bear fruit. Hundreds of societies could be started on the same pattern, and it is hoped that this example will be copied by all who have at heart the welfare of the factory hand.

An important point to consider in the formation of such societies is the security of the man in his job : at present the appointment and dismissal of workers is not infrequently in the hands of dishonest misris, sirdars and clerks : unless a man can be certain of keeping his job, he is not likely to want to risk any of his money in a society from which he would be excluded if he lost his employment. Hand in hand with the co-operative development of these communities should go the formation of some sort of labour board in each factory, by means of which dishonest practices and bribes could gradually be eliminated. Considerable advance in this direction has been made by the factory of which I have spoken : the co-operative movement has a right to expect that its proper development in the factories is not hampered by the existence of excessive corruption on the part of understrappers. In this matter the Department of Industries should be able to give assistance.

The first efforts of the co-operative societies must be to reduce the amount of indebtedness of the workers, and drive out the rapacious Kabuli : it may be taken as absolutely certain, that if those in charge of the society clearly show that they intend to protect the members against the mahajan, and are willing to take the trouble to make terms with existing creditors and transfer the debts wholly or in part to the society, then the fullest confidence of the workers in the society will at once be established. This bargaining with Kabulis and other mahajans can only be done by some one in authority, and it is tedious and disheartening work. But no work was ever more worth doing.

With sympathy and assistance from the employers of labour there is no reason why this heavy burden of debt should not, through the agency of co-operative societies, be cleared off

in five years. The other side of the picture will then claim attention, namely the encouragement of thrift, and inducing workers to save their money instead of wasting it.

Once the movement is fairly started, and a beginning has already been made, it should spread like wild fire : its results can hardly be anything but good : one great source of discontent will have been removed, education will have been imparted in a practical way : Workers will realise that their employers are ready to protect their interests, and thus the bond of sympathy between the employers and their workers be tightened and workers will become less susceptible to outside influences, and less the tool of agitators.

CO-OPERATIVE BANKING IN GWALIOR

By MR. HENRY W. WOLFF.

Mr. Henry W. Wolff, the eminent authority on co-operative credit, writes to the *Pioneer* as follows from the Reform Club, London :

Can you kindly grant me space for a few remarks upon the co-operative banking movement in Gwalior, which is evidently speeding along at a merry pace? I never doubted when presuming to advise the Indian Government on the subject of co-operative credit, that Indian Rulers would take up the movement which promises their subjects, and above all the toiling tillers of the soil, such splendid benefits, with hearty goodwill and vigorous energy. It is not only in Gwalior that my expectation has been fulfilled. Other Indian Rulers have made the cause of co-operative credit zealously their own and carried it successfully forward. But here, in Gwalior, we have the Maharaja writing in his review of 1915-16, "I want to see banks established by the hundred in each year"—a declaration which, although, under the aspect of policy it rather overshoots the mark, certainly gives proof of warm appreciation. The "hundred in each year" appears in truth to have been a little more than reached. For, under the vigorous propulsion of the active "Director"—a title corresponding to that of "Registrar" in use in British India—Mr. G. J. M. Hamilton, who evidently has not allowed grass to grow under his feet, the number of societies established when he wrote his Fifth Annual Report, stood at somewhere about 1,600, with 11 or 12 Central Banks to supervise and finance them—to which number a general "apex" bank was to be added.

The number, both of societies and members, had nearly doubled within the preceding twelve months. It appears that in the twelve months referred to Rs. 2,32,328 was advanced in

loans and Rs. 1,00,883 was repaid. Rs. 2,33,755 is reported as outstanding, a balance having evidently been carried over from the preceding year. For loans are granted doubtless in some cases for a fairly considerable time—and only Rs. 18,953 is reported to be overdue. Assuming that figure to be correct repayments have not been bad. No total is given for the reserve fund laid by in various classes of banks. But from the separate items quoted it would seem that in respect of reserves the societies are 'not overstrong, which in societies so young, and mainly financed from outside, is not surprising.' The number of loans granted is not stated. But it is satisfactory to find that as much as 93 per cent. was granted for productive purposes. "Purchase of cattle" appears to have made the largest claim, "seed and manure" follows next. What surprises one, being used to Indian reports, is that among the list of "purposes" no place is assigned to "repayments of loans" due to the money-lender. That generous-minded gentleman should not be forgotten. For the first object for which co-operative credit societies were introduced in India was to rescue poor ryots from his throttling toils.

Evidently Mr. Hamilton has, in general, an illiterate and backward public wherefrom to recruit his membership. For he states that societies are systematically brigaded in groups, with a "writer" at the head of each group to keep accounts for them all, and visit each society once a month, "to read and explain the bye-laws". That is not by any means against him, rather the reverse. For these societies were intended in the first instance for necessitous people, who are usually backward and illiterate, and such people want to be trained. And manifestly Mr. Hamilton is sparing no pains to train them. But as a permanent arrangement such employment of "group secretaries" an institution which was first introduced in the United Provinces by Mr. Fremantle—is not a serviceable feature.

Mr. Hamilton appears to have formed most of the societies, if not all, on a share basis, the value of the share differing according to the ability of the members to take them up. It is really a healthy sign that people in India evince a pronounced

liking for share. In Europe there are country districts in which this consideration cannot generally be fulfilled, if deserving poor folk are to be assisted. It is for that purpose that unlimited liability is resorted to in co-operative banking, as a substitute for shares.

Highly creditable as Mr. Hamilton's report is, affording evidence of genuine devotion to his cause and indefatigable activity, there are two comments which his practice calls for. The first is this, that it is a mistake to measure the success of a co-operative movement in the early stages by numbers. That is a misleading test. The chase after "results" measurable by figures and large transaction involves a danger—which has wrecked more than one co-operative movement. I could quote cases which convey a serious warning. It is this chase after "results" which leads authorities and kind-hearted people to supply for "co-operators" the funds that they should--however much more solvently—raise for themselves. The backbone of co-operation, the one foundation on which it can surely be built up is self-reliance. Much better toil during years for the obtainment of funds by your own efforts than become a mere spoon-fed parasite. Money is only one of the benefits that co-operation is to secure for those who practise it. Character, self-reliance, resourcefulness in business, count for more among the prizes that co-operation has to distribute and there is really under this aspect no better example to quote than that set by the Government of British India. That Government has been wisely, I should like to say generously, chary of giving money support. Such support was indispensable in the beginning; but it has now been nearly worked off and the movement is the stronger and the healthier for this. An organiser should, especially in early stages and where co-operation is insufficiently understood, form good banks, however few in early years. Such may be relied on to do their own canvassing and propaganda. The number of institutions will in the end be all the larger, and the quantity will be trustworthy.

The other is this. Mr. Hamilton prides himself on being unlike the British India "Registrars," who are civil servants, a professional "banker". Now undoubtedly we want genuine

"banking" in co-operative credit business. We want some of it "on the ground-floor", in the local societies; and we want very much of it in the upper stations, the central or apex banks, which are to serve as links between the co-operative credit movement and the money market served by the capitalist banks, in order to render relations of give and take practicable between the two. I have likened such banks to the conversion stations in the electric service, which convert high velocity electricity into low velocity, and *vice versa*. In India especially we may look to co-operative banking for another most valuable service besides that of financing poor people, capacity for rendering which it has brilliantly demonstrated in both Germany and Italy. India is lamentably under-banked. It was the under-bankedness of Germany and Italy that helped to make the running of the co-operative credit societies of one type. But that, it ought to be pointed out, was not the type that Mr. Hamilton is labouring mainly to multiply in Gwalior. In respect of that type certainly the humble village bank dealing out its rupees in small amounts to as humble borrowers—but, indeed, also in respect of co-operative credit societies generally, it is a great mistake to lay down as Mr. Hamilton does, that "co-operative banking is only ordinary (capitalist) banking in miniature." It is indeed so to some extent but it differs from ordinary (capitalist) banking in this feature that it bases its credit not upon what an applicant *has got*, what convertible security he has to offer, but on what a man is and what fairly assured position he has, with the help of the money asked for, to earn something. The co-operative borrower acts on a lower plane than the capitalist; he finishes practically where the other begins. The security that he is asked to give is not money's worth in the ordinary sense, but honesty and capacity. One may wish Mr. Hamilton success in the work which he is so laboriously and so zealously carrying on for the satisfaction of his chief need, to the unquestionable benefit of the country which he is serving. One would say judging from Mr. Hamilton's report, that the Maharaja could not find a more capable man for the purpose. He is, as he tells me, about to add to the services which he is rendering to the cause by issuing

a manual for account keeping, approved by high authorities. That is all to the good. But he ought to realise that called for as his present almost military organisation of the movement in Gwalior is, in the present stage in groups, large and small, all moulded on the same pattern, organisation is not "co-operation". We may regard it as an organisation for elementary teaching. After such elementary teaching must come full and free self-government. Each society will have to answer for itself, standing on its own bottom and governing itself. The grouping with others will have to be that of allies, not of subordinates.

THE ELEVENTH BENGAL PROVINCIAL CO-OPERATIVE CONFERENCE, FEBRUARY, 26, 1921

SPEECHES AND RESOLUTIONS.

I. H. E. The Governor's Inaugural Address.

Lord Ronaldshay in opening the session said :—

Two years have elapsed since I had the pleasure of opening the Provincial Co-operative Conference. The reason for this is that the provincial conference that would have been held in the ordinary course of events last year, gave place to the inaugural meeting of the Board of the Agricultural Department. A number of district conferences however, have been held in the interval, the great advantage of such conferences being that they reach the cultivators themselves in a way in which the provincial conference cannot hope to do. The districts of Pabna and Khulna have been prominent in promoting such conferences, and I am assured that some of them have attracted not merely hundreds, but thousands of actual cultivators. Two years ago I held out promises of sympathy and help on the part of the Government and I am now in a position to state the extent to which those promises have been made good. First and foremost the sanction of the Secretary of State to the permanent retention of the Co-operative Department has been obtained. Next, a Deputy Registrar has been appointed and further to assist the Registrar provision has been made for superior officers in each of the five divisions of the presidency. Then we have deputed an officer for six months to study co-operation in Europe and in particular in France, where the co-operative principle is being employed in the work of reconstruction in the devastated areas; in England where the establishment of a co-operative fleet of fishing trawlers is a striking development, and in Ireland where a valuable lesson is to be learned as to the disastrous effect which violent political movements have in practice upon the co-operative societies. It is hardly necessary to point out that here

where the political movement of the day has assumed a form which is the very negation of the fundamental principle upon which our movement rests, such lessons possess a special significance.

Then as to the general progress made by the movement itself. The picture is on the whole a bright one. But lest inadvertently I create an impression that it contains no dark patches at all let me preface what I have to say under this head with a modest note of warning. There are societies with which all is not going well. There is a central bank in the north of the Presidency which is in trouble. And I could mention several others that are in difficulty owing to past carelessness. But having said so much by way of caution let me now turn to the general picture.

The Bengal Co-operative Organisation Society has continued to attract to itself eminent men from all parts of the Presidency and to do excellent work. It has arranged for public lectures on Co-operative topics; it has taken part in district Co-operative Conferences and exhibitions; it has enlarged its library; it has issued pamphlets and has increased the circulation of the English and Bengali journals of Co-operation which it publishes. That its activities are appreciated by the societies is undoubted and, indeed, I have recently received most striking proof of this. The Naogaon Co-operators have spontaneously handed over to the Registrar a sum of Rs. 500 to be given to the organisation society to assist it in continuing its propaganda—incontestable proof, surely, of the value which they attach to it. The one respect in which it has not, so far, quite realised expectations is in the matter of the number of societies which have become affiliated to it. This has varied from 1,000 to 1,400, which is much below the number expected. Steps are now being taken to bring about an improvement in this respect.

ENCOURAGING DEVELOPMENTS.

The increase in the number of Co-operative Societies throughout the Presidency is encouraging. When I last addressed the provincial conference there were 3,643 Societies

with a membership of 163,000. On June 30, last there were 5,408 Societies with a membership of over 217,000, and I am told that there are at this moment something like 6,200 Societies with a membership which probably approximates to a quarter of a million. The working capital of the Societies is now over three crores of rupees ; and of this sum the actual savings of the members are represented by the shares, deposits and reserve funds belonging to them. These now amount to Rs. 76,00,000, and are increasing by 25 per cent. annually, a most significant feature of the movement. It is, perhaps, not inappropriate that I should point out that as these figure increase, the necessity for care in the further development of the movement increases also. A financial crisis five years ago would have been a comparatively small affair ; a financial crisis now, still more in the future, would be a calamity of alarming dimensions. I am sure that the Minister to whose guidance this great movement has now been committed is fully alive to this.

On previous occasions I have urged upon the zamindars of the Province the importance of their fostering the movement. We all know the maxim that practice is better than precept, and I may be forgiven therefore, if I inform you of what Government has done in its capacity as a landlord. In the Government estates in Kalimpong there is now no unit without its society. The same can be said of its estates in the Sundarbans. Here the colonists who came to the place because they were landless and impoverished and without prospects elsewhere, have, in the course of a few years, accumulated savings of their own amounting to half a lakh of rupees. They have established nearly 100 credit societies. They have their own store, their own boats running to Calcutta, their own co-operative granary, and they have started veterinary aid on co-operative lines. More remarkable still, perhaps, whereas the common rate of interest five years ago was 100 per cent. per annum, the complete abolition of interest in this neighbourhood is within sight.

NAOGAON DEMONSTRATIONS.

The most effective way perhaps of bringing home to the public the possibilities of the movement is to take a particular

instance by way of illustration. I will take the case of Naogaon. Naogaon is a village in the district of Rajshahi. The co-operative movement took hold of the *ganja* growers of Naogaon three years ago. As a result they already see a much wider horizon than that of mere *ganja* growing opening out before them. Last year, for example, they purchased 20,000 cuttings of *tanna* sugarcane which they distributed among fifty members of the societies on condition that each planted his cutting at one end of patch of ordinary sugarcane, with the result that fifty demonstration plots came into existence in the midst of a population of thousands of cultivators. I am told that this demonstration amazed even the Director of Agriculture. The whole of the crop is being preserved for cuttings and it is estimated that next year *tanna* cane will have ousted the old variety and that the profits of the cultivators will be doubled. A short time ago I visited the Rangpur tobacco farm and saw the cutting and preparation of the leaf being taught. Naogaon has introduced improved varieties of tobacco and has three young men there under instruction. Another crop hitherto practically unknown in the district, namely, the potato is now proving itself a source of income to the cultivators. Then again the Society is acquiring and laying out a model farm, on the same lines as the Government farms of 100 bighas of land, and is approaching the Government for the services of an officer to take charge of it. It proposes to establish a practical school in connection with the farm and it has already made itself responsible for the building, financing or subsidizing of something like a dozen other schools. It has also taken in hand the town of Naogaon and has converted a large area in the heart of it which used to be a hot-bed of disease into a public park. It has recently completed the first of three dispensaries which it has planned for its members, together with residences for the doctor and the compounder. It has a store with 4,000 members and sales amounting at times to as much as Rs. 1,000 in a day. It has organised a colony of Mahomedan weavers whom it found in a state little removed from starvation. It has trained them to produce cloth of good quality which is now sold at the store faster than the weavers can make it. And along

with the truly astonishing improvement which has been brought about in the material well-being of the people in the short space of three years, is to be noticed a powerful and ever growing influence for good in the moral sphere. Thrift is taking the place of extravagance; expenditure on useless ceremonial has already decreased by from 50 to 75 per cent. Both the consumption of *ganja* and litigation have been reduced. This is a bald and very inadequate description of what has been achieved in three years in a typical Bengal district by co-operation. I have referred to it because it seems to me to possess a moral which is so obvious as scarcely to require pointing one, moreover, which is not likely to be lost upon anyone who ponders upon it.

I could, of course, give many other remarkable examples of what is being done by co-operation, and in particular of the extraordinary variety of uses to which it can be put. In the district of Bankura for example, it has not only set the hand-loom weaving industry, which was almost moribund, upon its legs, but is bringing help to the cultivators in the shape of Irrigation Societies, one of which I am told will be working for the next crop, and many more of which are likely to come into existence in the near future. But I do not wish to take more of your time, for you have a long and important programme of work in front of you. And I will conclude these opening remarks with an expression of my sincere good wishes for the success of your deliberations.

2. The Hon'ble Nawab Sayyad Nawab Ali Chaudhuri's Opening speech at the Eleventh Provincial Co-operative Conference.

GENTLEMEN,

His Excellency has reviewed the progress of the Co-operative movement in the interval since the last Provincial Conference met. The practical assurance of His Excellency's sympathy which his address conveys, and his intimate acquaintance with the details of the movement's progress will be a source of gratification to all Co-operators. That progress itself is, as His Excellency has pointed out, a subject for congratulation.

As he has indicated, however, there are a few shadows on the picture, a few areas where abuse, emphasised perhaps but not excused by the difficulties of recent years, has made itself felt. I do not intend to specify these areas in a meeting like this, for I know that the Registrar has called the attention of those concerned to the state of affairs, and I trust that when the next conference meets the shadows will have gone. With all that His Excellency has said about the movement I desire to associate myself and I hope that the weighty words of advice which he has addressed to you will be cherished and observed.

2. Ten Provincial Conferences have already met in Calcutta and we are opening the second decade of these assemblies in circumstances which few, if any of us anticipated when the first decade began to unfold itself over ten years ago. A rising tide of democracy has given a great and a real share in the Government of the country to the elected representatives of the people. Eight years ago the Hon'ble Mr. P. C. Lyon said :—"I look forward to the time when the co-operative society of each village, bringing the people together for all matters connected with the weal of the village will be linked up with the system of village and Circle Government, and will be utilised as the only efficient electoral unit. Each such unit will vote for the representative who will look after the interest of the village in a larger council composed of an aggregate of unions, and he in his turn will help to elect the members of still larger councils". The development outlined by Mr. Lyon has not yet taken place, but a greater development, a more democratic and direct system of elected councils than Mr. Lyon dared to ask you to contemplate has come into existence. He was not wrong, however, in thinking that the co-operative societies would exercise an influence on the final elections to the legislative councils of the country. When you look through the list of the members of the Bengal Legislative Council you find a number of names of gentlemen who have definitely and prominently associated themselves with the co-operative movement. It is no mere coincidence that in this first election constituencies like Comilla, Pabna, Murshidabad, and other places should have chosen their chief co-operators to represent them in the Council. It is no mere coincidence that

the Bengal Co-operative Organization Society should count more of its members among the elected members of the Legislative Council than probably any non-party association in Bengal.

3. There were many who were anxious to have co-operative societies formed into constituencies entitled to elect a certain number of members to the Council. They never thought that without any special arrangements the societies would see as many representatives of themselves returned to the Council, and even to the Legislative Assembly. There is already in the Council the nucleus of a co-operative party, if such a party were desirable, and even in the Legislative Assembly there are not wanting some of the leading co-operators of Bengal. I do not say that these gentlemen were elected on any co-operative ticket, nor, although it would not be unreasonable, is it necessary to assume that their association with the co-operative movement directly helped their candidature. I do say, however that in the democratic system which has been inaugurated the interests of the co-operative movement have keen supporters in those leading co-operators elected to the Councils, and it seems indeed as if the impress of co-operation will be stamped deeper on the Councils of the future. It must be so in a democratic franchise, for the six thousand co-operative societies of Bengal are democratic associations of the people, concerned with the economic life of the people and as our political development progresses it will come to be a political truth that what the co-operative societies think to-day Bengal will think to-morrow.

4. If the co-operative societies continue to develop and multiply as they have been developing and multiplying it is obvious that they will exercise a growing and not impossibly a controlling influence in the Councils. To accomplish this, however, there is no need to introduce politics into the societies themselves. The societies are and should remain associations of harmonious interests. The co-operative societies train men in the use of the vote, and they turn the minds of their members to the consideration of their economic condition with a view to its betterment, to education, to sanitation, to improvements of agriculture and handicraft. Ten days ago I presided with very great pleasure over a meeting of several thousand cultivators,

members of the biggest co-operative society in Bengal. To all outward appearances they were the same as the mute millions of the people who toil upon the land. When, however, questions of finance or policy, or questions of any other kind came up for discussion, they argued and discussed them with a zest which was truly amazing, and they came to final conclusions in every case which would do credit to a much more advanced and educated assembly. Thus, for instance, they discussed the amount of profits that should go to reserve: they fixed the figure at Rs. 25,000. They discussed and finally voted a sum of Rs. 9,000, for their own educational institutions: they made similar grants to their own dispensaries, and then after arguing a long time on the suggestion of opening a demonstration farm for the improvement of agriculture and hearing various estimates of the cost they voted Rs. 60,000 for the purchase and laying out of the farm. They let no suggestion pass without discussing it in a most orderly and business-like way, and I could not help feeling that if these cultivators could transact their business like this, there is great hope for the democracy of Bengal.

5. Now it was the co-operative society, working among them for three years, that educated these cultivators in these business-like methods of debate and procedure, and if the other co-operative societies in the province produce similar results with their members, we shall assuredly have these effects reflected in our Councils, and we shall assuredly prove that we are fit to govern ourselves.

6. The control of the Department of Co-operative Societies has been handed over to the elected representatives of the people. It is for us now, the elected representatives of the people (and that means the people themselves) to make or mar them. The statement is doubly true, for the Co-operative Societies themselves are in the hands of the members of the societies, and as the members do their share well or badly, so will the societies succeed or fail. On the other hand Government cannot stand aloof from a great popular economic movement of this kind, and the policy of Government towards this movement must be influenced by the people themselves through their elected representatives. You have been assured by His Excellency of

the sympathy of Government, and as the first Minister to be entrusted with this portfolio I too assure you that your interests will not be neglected. But I would be failing in my duty were I not to warn you that more depends upon yourselves than upon Government. Your societies are primarily societies for self-help, and I am assured that those of them which have succeeded best are precisely those which have kept this fact most constantly in view. They are also to some extent in the same position as private business, and you should not expect too much by way of concessions and favours and differential treatment. When I say this I do not forget for one moment the differences that do exist between private businesses and co-operative societies, the differences which have won you concessions and favours in the past. But I do not want you to take a one-sided view. With the growth of Co-operative Stores, for instance, competing with ordinary traders there would soon be an outcry if Government carried its favours to the Stores too far. The societies must endeavour to stand on their own legs, just as private undertakings do, but realizing the handicap under which their members have to work and the great asset on the side of law and order and education which the societies are to the administration, Government will not hesitate to help them in the future as in the past.

7. You have a very varied programme before you : there are twenty papers in the printed book and three other papers separately circulated. These papers embrace a great range of subjects : there are questions of law, and questions of accounts : there are rural problems and urban problems : there are old organizations and new departures : papers on co-operative housing, co-operative industries, co-operative sale and supply, co-operative irrigation, co-operative cattle insurance, and even co-operative education. I am glad to see the signs of ever renewed activity which these papers indicate, and particularly glad to see that you have set your minds on co-operative ventures other than credit. No one knows better than I do that credit is essential to the cultivator, especially in Bengal, and while realizing to the full the importance of this credit, and the fact that in its best form it will be co-operative credit, which not only satisfies

immediate wants, but eliminates waste, encourages thrift, and looks forward to a future of independence and self-reliance; while realising all this I cannot close my eyes to the other great fields, virgin fields for the most part, that lie before you.

8. The Co-operative sale of his produce, for instance, appears to me, if properly developed, to contain untold possibilities for the betterment of the cultivator. Indeed I have seen it myself successfully at work in Naogaon, and to see the principal working there extended as successfully to the other harvests of this province would be a cause of great satisfaction and a cause of enormous improvements in the lot of the cultivator. I need hardly outline the advantages of the working of that principle. The cultivator, when his harvest is ripe, gets something for his crop, not perhaps the full price, but something wherewith to meet his creditors, to pay his rent, and purchase the pressing needs of himself and his family. He is not compelled to dispose absolutely of his crops when the market is flooded with similar crops, nor to compete for sale with his brother and thus reduce the income of both. His society takes it from him, advances him part of the price, and retains the harvest in store until its full value is obtainable. I have seen this principle in operation in the case of a crop which is not worth more than ten lakhs of rupees, and I have seen the people from part of the savings of the co-operative sale of that crop finance their own education, medical aid, and other similar undertakings. Now the crops of Bengal are worth very many crores of rupees and great things could be done by co-operative societies if they could organize the sale of these crops.

9. Well, gentlemen, I know you will discuss these and other problems and truly weigh the arguments for and against and I shall no longer stand between you and the proceedings on your agenda. I most heartily welcome you all to the conference, and it will be a pleasure to preside over your deliberations. May I ask you to remember that the time at our disposal is short, and the subjects numerous, and suggest, without any intention of unduly restricting your opportunities, that each speaker should be as brief as possible: Otherwise there may not be time to discuss all the papers.

10. I now call upon the Registrar to report briefly to the Conference the action taken on the resolutions of the last Conference.

3. The Registrar's Review of the action taken upon the Resolutions passed by the last Provincial Co-operative Conference.

Gentlemen,

At the 10th Provincial Conference 15 resolutions were passed. It is my duty to report to you the action which has been taken upon these resolutions.

2. The 1st resolution was :—"That the Conference recommends that all organization should be done with the greatest care and the share-basis type of society should be generally adopted in future organization."

A circular to this effect has been issued to all Central Banks and honorary organizers and to all persons likely to be interested. No society is now registered unless its bye-laws provide for shares.

3. The 1st part of the second resolution was :—"That as the people of India cannot begin their onward march while heavily laden with debt and moneyless, this conference respectfully requests the Government of India to appoint, at an early date a Committee of Bankers, business men and co-operative workers to consider how the banking facilities of the country can be improved and developed especially with a view to the financing of the co-operative movement and the bringing of cheap finance to the great producing masses of the people."

In pursuance of this resolution a letter was written to the Government of Bengal and it is understood that the matter was referred for consideration to the Government of India.

4. The second part of the second resolution was :—"This Conference also respectfully suggests that the Government of Bengal formulate a definite development policy for the co-operative movement, in order that it may cover the province within ten years' time, and that the staff of the co-operative department be increased as may be necessary for that purpose."

In reply to a letter conveying the resolution to them the Government of Bengal have written as follows :—“As regards the second part of the resolution I am to say that while the Governor in Council is prepared, so far as the provincial finances permit, to meet every reasonable demand for the extension of the co-operative movement, he trusts that the movement would set before itself the aim of ultimately becoming self-supporting.”

5. The 3rd resolution was as follows :—“That the Conference calls upon all societies to impress upon their members (1) the nine main principles of co-operation ; (2) the importance of general meeting ; (3) the careful issue of loans ; (4) the careful selection of members ; (5) punctual collection ; (6) business-like account keeping ; as being essential to save societies from liquidation.”

Circular No. 14 of 1919, dealing with this subject has accordingly been issued.

6. The 4th resolution was as follows :—“That the Conference recommends that Government be approached to empower the Registrar under clause 3 of section 43 of the Co-operative Societies Act to expel a recalcitrant member from a co-operative society on the report of the Central Bank or of a departmental officer and that it be further moved to permit the realization of the dues of such an expelled member by the certificate procedure and that the Public Demands Recovery Act be amended accordingly.”

The Government was addressed upon the subject and the matter is still under their consideration.

7. The 5th resolution was as follows :—“That the Conference recommends Honorary Organisers and others interested in the co-operative movement to endeavour to bring about settlements between mahajans and members of societies on the lines suggested in paper No. IV.”

A circular has accordingly been issued to this effect.

8. The 6th resolution was as follows :—“That the papers on training submitted to this conference be referred to a committee consisting of the undermentioned gentlemen, with power to add to their number, and that they, after a full consideration of the matter submit a workable scheme with special reference

to finance, on co-operative training, both theoretical and practical, for inspectors, supervisors and secretaries separately, and that it should submit its report in three months' time to the Registrar for his approval :—

Prof. P. Mukherjee,

Prof. R. K. Mukherjee,

Mr. T. C. Roy,

Mr. I. B. Dutt,

Khan Bahadur Maulavi Asaduzzaman,

Maulavi A. F. M. Abdul Ali,

Babu Naba Gopal Chaki,

Rai Indu Bhushan Bhaduri Bahadur,

Mr. Nripendra Chandra Bose and the mover.”

The committee was convened and their report is laid on the table.

8. The 7th resolution was as follows :—“That the Article 143 A (20) of the Civil Account Code be so amended that sub-divisional treasuries may be authorized to receive any amount above the sum of Rs. 150 from co-operative societies for remittance to such societies in the same district or in another district by means of Remittance Transfer Receipts without their being required to be sent to the District Treasuries for enforcement.”

Government was accordingly approached and the concession asked for was readily granted to several selected sub-treasuries. If the experiment in these sub-treasuries be successful the Government is prepared to consider the extension of the concession to other sub-treasuries.

10. The 8th resolution was to the effect that Central Banks should be asked to introduce the scheme of Provident Deposits outlined by Babu Naba Gauranga Basak.

A circular suggesting this to all Central Banks has been issued ; the scheme has been introduced in some Central Banks and the Bengal Provincial Co-operative Federation Limited is now considering the introduction of this scheme itself.

11. Similar action has been taken on the 9th resolution which suggested that all Central Banks should introduce a scheme of Public Benefit Deposits.

12. The 10th resolution was as follows :—“That up to the grade of Inspectors promotion should be from the lower grades of the co-operative service, that the higher appointments be thrown open to outside men as well as to the inspectors, preference being given to the latter, other things being equal.”

The matter is at present under consideration of the Government. It was decided to leave the permanent organization of the cadre of the department to the Reformed Government.

13. The 11th resolution was as follows :—“That this conference recommends the appointment of a Committee consisting of representatives of Industrial Societies and of representative businessmen to prepare a working scheme of supplying raw materials to industrial societies and for finding a market for their finished products.”

The committee was convened and their report is laid on the table.

14. The 12th resolution was as follows :—“That this Conference recommends that in areas where there are no industrial co-operative unions Central Banks should appoint Industrial Sub-Committees to look after the organizational, financing and supervision of Industrial Co-operative Societies.”

A circular on the subject has accordingly been issued to all concerned.

15. The 13th resolution concerned a proposal by Mr. L. Gupta which was referred to the committee which met in connection with resolution No. 11 and dealt with by them.

16. The 14th resolution conveyed the thanks of the Conference to His Excellency the Governor and the 15th resolution conveyed a vote of thanks to Sir Daniel Hamilton.

Copies of these resolutions were accordingly conveyed to His Excellency the Governor and Sir Daniel Hamilton.

4. The Hon'ble Nawab Saiyad Nawab Ali Chaudhuri's concluding speech at the Eleventh Provincial Co-operative Conference.

Gentlemen,

Before I leave you I desire to express the great pleasure it has given to me to preside over your meeting, and to thank you

for all you have done to make this Conference a success. It is not the first Co-operative Conference at which I have been present, and I sincerely hope it will not be the last. I believe in the efficacy of such Conferences as these, and I hope that they will continue to be a feature of the Co-operative Movement in Bengal. The fact of so many of you coming together and exchanging your ideas must result in the benefit of the societies which you represent, and the result of your deliberations in an assembly like this must at the same time be greatly helpful to the administration of the department. To the Minister in charge of the portfolio it is a great source of satisfaction to know that there is such a great body of the leading men in the mufassil co-operating with him in his efforts to mitigate the economic difficulties of the agriculturists and artizans of Bengal.

You have worked through a very heavy programme and the two outstanding qualities which have characterized your discussions appear to me to have been expedition and harmony, qualities which I need hardly tell you are essential to the success of co-operation. There has been no waste of time and yet you have let none of the important arguments in connexion with your subjects escape you; and where you have had differences of opinion you have expressed them boldly but without in any way hurting the feelings of those who were opposed to you.

You decided at the beginning to have your discussions in the language which each member found most convenient and, although this has created a certain amount of difficulty in reporting your proceedings, it must be admitted that it was probably a wise decision. At the same time it appears to me that it had not the full effect which might have been expected, for there were still many members of the conference who did not contribute to the debates. Perhaps, however, they came here to listen only, and by listening they may have learned much which may be useful to their societies when they return to them.

The decisions you have taken on the various questions considered by you will be taken into account in framing and carrying out the policy of the department, and the recommenda-

tions which you have made to Government in various connections will receive the consideration which they deserve. You cannot—and I am sure you do not—expect me now to announce the exact steps that will be taken on your recommendations, but you are entitled to the assurance which I readily give you, that they will receive very serious consideration.

There is only one matter upon which I shall touch in particular, namely, your recommendations in regard to the staff of the department, and especially the inspecting and auditing staff. It must have been a source of great gratification to that staff to have heard how highly you appreciate their services, and to have witnessed the unanimity with which you commended them to Government for the improvement of their emoluments and prospects. This recommendation was made by the Committee on Co-operation nearly 6 years ago, and possibly it would have been taken up before but for the Great War. One of the earliest acts of the Secretary of State after peace was declared was to make this department permanent, and it has naturally been left to the reformed Government to organize the cadre on a permanent basis. You all know the difficulties of finance with which Bengal is at present beset, but in spite of these we can hardly postpone this pressing question any longer. I therefore asked the Registrar some time ago to send up his proposals. He is well acquainted, I believe, with your ideas on the subject, and he tells me that his proposals will be submitted very soon. They will be examined sympathetically as I am sure they will be sympathetically submitted and when the final decision is taken they will, I hope, receive warm support not only from the strong party of co-operators in the Council, but from all the Members. We shall do our best to make them satisfactory to you and to the officers of whom you have spoken so highly, and I trust that these officers will make it their aim to continue to deserve your approbation.

Again, gentlemen, I thank you most heartily for your presence and your good work in the mufassil, and in parting with you I express the sincere wish that we shall all meet again after another stage on the onward march of the great movement of co-operation with which we are all associated.

5. Resolutions carried at the Eleventh Bengal Provincial Co-operative Conference.

1. That the proceedings of the Conference should be printed in Bengali and circulated to all the rural societies in Bengal.
2. That where societies, reserve funds have been entrusted to Central Banks for investment and invested in securities which depreciate, the loss by depreciation should be spread over the societies. Otherwise it should be borne by the Central Bank.
3. That awards of arbitrators be recoverable by the Certificate Procedure instead of through the Civil Courts.
4. That this Conference requests the Government of Bengal and the Calcutta Improvement Trust to assist in the development of co-operative housing societies for the various communities in and around Calcutta.
5. That co-operative societies be established to provide scholarships for the higher education of Anglo-Indians as well as Indians.
6. This Conference recommends that important Central Banks in places where veterinary aid is available be requested to try the experiment of co-operative cattle insurance on the Burma model. This Conference does not recommend action being taken generally before experience is gained in the working of the scheme in selected areas.
7. That Unions should be formed under Central Banks with a view to decentralizing the inspection of rural banks, such expenses as are incurred being borne by the Central Banks.
8. (a) That proper provision be made for financing Industrial Co-operative Societies and that fresh legislation be undertaken towards that end, if necessary.
 (b) That the following steps should be taken to meet immediate requirements :—
 - A. Government rules for loans under the Co-operative Societies Act should be so amended so as
 - (i) to make it possible for a society to get an advance up to twice the amount of capital subscribed or deposited by its members, and

(ii) to authorize Local Government to advance sums up to Rs. 10,000 without reference to the Government of India.

B. Government should assist the Bengal Provincial Co-operative Federation, Limited, and the Central Banks and Unions in financing the larger projects by guaranteeing them against losses up to 25 per cent. of the advances made.

(c) That Government should, in suitable cases make free grants to Industrial Co-operative Societies for experimental, and demonstrative purposes.

9. That the formation of irrigation societies on a co-operative basis be encouraged and that Government be approached to place one or more Engineers under the Co-operative Department for the necessary technical work in connection with such societies.

10. That the pay and prospects of Inspectors, Auditors and Supervisors are inadequate and should be improved.

11. That State aid for the provision of proper management be granted in the initial stages of Co-operative Stores and Co-operative Supply and Sale Societies.

12. That a Central Provincial Agency be established at Calcutta to arrange for the supply of materials to outside Co-operative Supply and Sale Societies and Stores and for the disposal of their raw materials and finished products.

13. That Government do provide in the Registration Manual for the despatch of bonds and documents by Co-operative Societies (for registration) by post on receipt of postal fees as is done in case of District Boards.

14. That it is desirable to organise Supply and Sale Societies including both Producers and Consumers.

15. That serious attempts should be made by expert organizers possessing technical knowledge of trade as well as sagacity for jute business to organize on sound lines Co-operative Jute Sale Societies so as to exclude the middlemen and to ensure adequate remuneration to the actual tillers of the soil. A committee of experts should be formed to formulate a definite scheme for practical action.

16. That the system of "Mustichaul" be encouraged.

17. That the debts of a refractory member of a co-operative society may be made recoverable by the Certificate Procedure, instead of having recourse to the Civil Courts.

18. That the Conference calls upon the Registrar of Co-operative Societies and the Director of Agriculture to consider what steps can be taken towards the amalgamation of co-operative societies and agricultural associations where these exist side by side and towards the utilization of the existing co-operative societies in future for the formation of Agricultural Associations.

19. That this Conference notes with regret the absence of co-operative societies among factory hands and desires to draw the attention of employers of labour to the desirability of forming such societies.

20. That the ticket system of encouraging thrift be introduced.

21. That steps be taken to induce the holders of Postal Cash Certificates to deposit the money realized on the encashment of their cash certificates in co-operative societies.

22. That Co-operative Anti-Malaria Societies on the lines of Panihati Society under the aegis of the Central Anti-Malaria Society be organized throughout Bengal.

23. That this Conference recommends to Government the desirability of enlisting the sympathy of the District Board and the Chowkidari Union for help for these struggling societies in their initial stages.

24. That Government be moved to refund money order commission on remittances by postal money orders between societies and their financing agents or wholesale purveyors.

25. That a Committee be formed to go into the question of allowing all Central Co-operative Banks with a full salaried staff on opening cash credit accounts with the Bengal Provincial Co-operative Federation to issue cheques for the use of the general public, to the maximum amount, as fixed by the Central Banks and the Federation; and that they be authorized to charge a small commission for issuing and cashing cheques, at rates as fixed by their Board of Directors.

THE BENGAL CO-OPERATIVE ORGANIZATION SOCIETY

Third Annual General Meeting.

The Third Annual General Meeting of the Bengal Co-operative Organization Society was held at the Dalhousie Institute Hall on the 26th of February, 1921, at 12 noon. The Hon'ble Maharaja Sir Manindra Chandra Nandi Bahadur, K.C.S.I., of Kashimbazar presided. Among those present we noticed Kumar Sib Shekhareswar Roy, M.L.C., Mr. J. T. Donovan, I.C.S., Mr. T. C. Roy, Khan Bahadur Asaduzzaman, Khan Bahadur Ataur Rahaman, Mr. I. B. Dutt, M.L.C., Prof. P. Mukherji, Mr. A. F. M. Abdul Ali, Prof. Promathananth Sarkar, Babu Nabagopal Bose, Rai Shahib Kamala Prosanna Roy, Kumar M. C. Sinha, Rai Dr. Chunilal Bose Bahadur, Mr. N. C. Bose, Rai Indu Bhushan Bhaduri Bahadur, Babu Surendra Narayan Sinha, M.L.C., Rai Sahib Narendranath Chatterji, Mr. M. Mahmud, Rai Sahib Taraknath Maitra, Rai Radhika Mohan Lahiri Bahadur.

1. The President delivered the following opening address—

"It affords me very great pleasure to be able to take part in the 3rd Annual General Meeting of the Bengal Co-operative Organization Society. Co-operation is one of the latest words and ideas which have worked wonders and miracles in the western world. It has made enormous strides already and contributed largely to the organization and social efficiency in Germany, Italy and France. The English mind has also recently grasped this idea as a great lever to social improvement. I will not on this occasion take you over to the inception and history of co-operation in Europe, but I think it is not out of place for me to mention here some of the salient features of the movement in this country.

2. When the Co-operative Credit Societies Act was passed in the year 1904 few could dream that, only 15 years later, British India would be able to boast about 33,000 co-operative societies of all kinds, with a total membership of more than 1,200,000 and a working capital of 17.5

millions of rupees. Though the progress of the movement has undoubtedly been rapid, yet it must be admitted that this progress has been all too one-sided. Agricultural credit co-operative societies overwhelmingly out-number agricultural non-credit societies—for, of the 32,439 co-operative societies existing in India in 1919 as many as 28,487 are credit societies and only 500 belong to non-credit forms of agricultural co-operation. The credit societies are giving loans to the ryot, but they have not so far made any serious attempt to induce him to increase his crop-yield or to organize the sale of his produce so as to give him the benefit of high prices prevailing in the market.

3. It is unfortunate that the non-official public of Bengal has not yet appreciated the full scope and potentialities of this great economic movement which the word co-operation stands for. To the indefatigable labours of Prof. Mukherjee and to the active sympathy and support of Sir Daniel Hamilton and Mr. J. T. Donovan we owe the inception of the Bengal Co-operative Organization Society which seeks to carry on an extensive propaganda throughout Bengal to further the cause of the co-operative movement. The last year's report will show that it has regularly issued its Journals, organised public lectures in Calcutta and Conferences in the mofussil, printed and distributed thousands of pamphlets, improved its library of co-operative literature and initiated steps for organizing a co-operative press and a co-operative housing society.

4. I would make an earnest appeal to the zamindars, the professional classes and to all non-officials to rally to the banner of co-operation, to join the Bengal Co-operative Organization Society and to make it an effective and efficient institution in the land. The zamindars should especially welcome the co-operative movement, because it strengthens the resources of the ryot and improves his moral and material conditions: any movement which aims at up-lifting the ryot's economic condition should receive the whole-hearted sympathy and support of the Zamindars. The platform of co-operation is a non-party, non-political, platform, where all, Hindus and Mahomedans—Zamindars and ryots, officials and non-officials, co-operationists and non-co-operationists—can meet and help in the material and moral uplift of the nation.

5. I should like to draw the attention of the University authorities to the importance of the comparative study of the theory and practice of co-operation. Co-operation is one of the most living and interesting subjects of study and research and I wonder why the Universities should

not found chairs of co-operation which offers such a virgin field for social well-being.

6. In conclusion I would urge the Government on behalf of this society to lend to it the services of an Inspector of the Department to help in the propagandist work we have before us. The society badly needs the help of such an officer and we hope the Government will not turn a deaf ear to our appeal. I hope the day is not distant when the public at large in this province—both classes and masses—will really begin to take an earnest and lively interest in this great economic movement and when it shall be possible for us to extend the principles of co-operation to increasing the quality, quantity and value of all our agricultural and industrial produces, to extending education and sanitation, to exterminating malaria and plague, to coping with famine and flood, and above all, to the relief of all social distress.

2. On the motion of Rai Dr. Chunilal Bose Bahadur seconded by Rai Indu Bhushan Bhaduri Bahadur the following Annual Report was unanimously adopted—

Membership :—On December 31st, 1920, the Society consisted of four Patrons, 25 Life-members, 54 Ordinary members and nearly 1,000 affiliated Societies. The total number of members was thus 1,083 at the end of last year. The Hon'ble the Maharajadhiraj Bahadur of Burdwan and the Raja of Dighapatiya joined the Society as Life-members during the year under review.

The Bengal, Bihar and Orissa Co-operative Journal :—The Journal completed its fifth year of issue in May last. It continued to appear regularly during the year under the joint editorship of Professors Coyajee and P. Mukherji. We are glad to report that the circulation of the Journal increased in all parts of India, and the society is getting an increasingly large number of journals and periodicals in exchange.

The Bhandar :—The *Bhandar* completed its second year of issue and continued to appear regularly throughout the year under the joint editorship of Mr. T. C. Roy and Mr. P. N. Basu, M.A. About 1,000 rural societies get the *Bhandar* as affiliated members of the society ; it is also sent free to certain other selected societies in the hope that they may ultimately become subscribers ; the Director of Public Instruction, Bengal, has been subscribing for 200 copies of the *Bhandar* for schools in Bengal. If the newly established Union Boards in Bengal can be persuaded to subscribe for the *Bhandar* it will reach a much wider circle of readers.

• *The Buckan Memorial Library* :—Several new books have been added to the library during the year. We have now about 140 volumes in the library. The Registrars of Co-operative Societies of most of the Provinces and the Managers of several Provincial Banks have earned our thanks by sending us their Reports and other publications. We have now secured the back volumes of all the leading English Co-operative Journals, such as, *the International Review of Agricultural Economics* (Rome), *the International Co-operative Bulletin* (London), *the Better Business* (Dublin), *the Bombay Co-operative Quarterly*, *the Madras Co-operative Bulletin*, etc. Besides, we get the following, among others, journals in exchange for our Journal—*The Agricultural Journal of India*, *the Indian Review*, *the Modern Review*, *the Local Self-Government Gazette*, *the Scientific Agriculturist*, *Mysore Economic Journal*, *Social Service Quarterly*, etc. The Library is used not only by our local ordinary members, but also by students, officers of the Co-operative Department, and, in some cases, by mofussil co-operators.

Public Lecture :—The year opened with a lecture delivered by Mr. J. T. Donovan on “Co-operation and the Milk Supply of Calcutta” on January 17, 1920 at the Rammohan Library Hall under the Chairmanship of the Hon’ble the Maharajadhiraj Bahadur of Burdwan.

• The Annual General Meeting of the Society came off on February 28, 1920, with Sir R. N. Mookerji, K.C.I.E., in the Chair.

On the 3rd of March, 1920, Mr. T. C. Roy delivered an address on “Co-operation in the New Order,” Sir John Cumming presiding.

Mr. F. J. Monahan, I.C.S., presided at a lecture on “Co-operative Housing” delivered by Prof. P. Mukerji at the Y. M. C. A. Hall on 31st of March, 1920.

Pamphlets and other Publications :—1-2. Mr. G. S. Dutt’s pamphlet on “A Practical Scheme of Agricultural Organization and Rural Reconstruction in Bengal” was translated into Bengali by Mr. T. C. Roy and an edition of 5,000 copies was printed. About 3,500 copies were sold at a nominal price to several District Boards in Bengal, the Birbhum and Rajshahi District Boards taking 1,000 copies each. The Director of Agriculture took 250 copies of each of the English and Bengali editions of Mr. Dutt’s pamphlet. Throughout the year there was a continuous demand for Mr. Dutt’s English pamphlet which had to be reprinted by the society.

3-4. Mr. Donovan’s lecture on “Co-operation and the Milk Supply of Calcutta” was reprinted as a B. C. O. S. pamphlet with a foreword from

the Hon'ble the Maharajadhiraj Bahadur of Burdwan. A Bengali Edition of the pamphlet prepared by Mr. T. C. Roy has also been published.

5. Prof. P. Mukherji's paper on "Co-operative Housing" was published in pamphlet form and was sent to all members of the Calcutta Improvement Trust and of the Calcutta Corporation.

Co-operative Propaganda in the Mofussil:—The Journal and the *Bhandar* have no doubt been potent instruments for propagating Co-operative ideas in the mofussil. But the more direct propagandist efforts in the shape of Co-operative Conferences were continued.

In February, 1920, a Conference was held at Bhangaria (Pabna) under the joint auspices of our Society and the Pabna Central Bank and two watches were presented by the Society to the Secretaries of the two best managed rural Societies.

In September, 1920, the second annual Co-operative Conference was held at Khulna under the joint auspices of the B. C. O. Society and the Khulna Central Bank: several representatives of the society took an active part in the Conference which was a great success from every point of view: the B. C. O. Society awarded three watches to the Secretaries of the three best managed rural societies in the Khulna area.

At the end of the year under report arrangements have been completed to hold a district Co-operative Conference at Pabna under the joint auspices of the Pabna Central Bank and the B. C. O. Society: the society will, as usual, award three watches to the secretaries of the best managed rural societies in the Pabna area.

It is pleasing to record that at the last Khulna Conference the following resolution regarding the formation of a Branch at Khulna was unanimously passed: That the following proposals be taken up for decision at once by the Central Banks concerned:—

- (1) That a local Branch of the B. C. O. S. be formed at Khulna with the members of all the Co-operative Societies within the District as its members;
- (2) That the cost of carrying on the work of the Branch be borne by the three Central Banks of the District;
- (3) That the first Executive Committee of the Local Branch consist of the Secretaries of the three Central Banks, the Circle Inspector of the District, Rai A. L. Raha Bahadur, Babu Jnanendra Nath Dutt Chaudhury, Babu Adwaita Charan Rakshit and Maulvi Shamsur Rahman with the Collector as

Chairman, to frame rules with a view to start work without delay.

The Society took part in the exhibitions held at Burdwan and other places.

Committee Meetings :—Over and above the meetings of the Executive and General Committees there were meetings of three important Sub-Committees—

(a) The Co-operative Training Sub-committee considered afresh the question of framing a workable scheme of co-operative training and submitted their Report to the Registrar.

(b) The Co-operative Press Sub-Committee has been engaged in working out a scheme for starting a Central Co-operative Press in Calcutta to do the necessary printing work for the B. C. O. Society, the Provincial Co-operative Federation and the Co-operative Societies all over the Presidency. In response to the Hon. Secretary's circular a dozen Central Banks have so far favourably received the proposal regarding the formation of a Central Co-operative Press. The Committee are awaiting replies from the remaining Central Banks before taking further action in the matter.

(c) The Co-operative Housing Sub-committee: This Sub-committee has been engaged in elaborating housing schemes for (1) middle-class Bengalis, and (2) Anglo-Indians in, Calcutta.

Other Activities :—(a) An important Conference of representatives of Calcutta Co-operative Societies was held in March, 1920, under the auspices of the Society to consider the question of starting a Central Store for benefit of the members of the Calcutta Urban Co-operative Societies. The scheme is under examination.

(b) At the meeting of the Board of the Lengal Agricultural Department held in February, 1920, under the presidency of Sir John Cumming, Prof. P. Mukherji, our Hon. Secretary, moved the following Resolution which was unanimously passed—"That the Board of the Agricultural Department advise Government to take necessary steps for organizing the production and sale of Agricultural produce on Co-operative lines; and that, with this end in view, a Central Agricultural Purchase and Sale Society be organized in some suitable centre by the Departments of Agriculture and Co-operation".

(c) Prof. P. Mukherji, our Hon. Secretary, was appointed by Government to be an Hon. Organizer of Co-operative Societies for the whole of

Bengal, for a period of two years, to enable him to carry on the propaganda work.

A Bureau of Information and Advice :—The Society has become a Central Bureau of information and advice. Enquiries have been addressed to the Secretary not only from different parts of Bengal, but also from different parts of India. Questions of legal interpretation, information regarding agricultural implements and machinery, information regarding various kinds of Co-operative Societies, drafting of bye-laws for new kinds of societies queries regarding books and authorities, and various other details have had to be attended to by the Secretaries: this is gradually growing to be an important function of the Society.

The Financial Position of the Society :—The audited statement of accounts will show how, while Rs. 2,800 is retained as funded capital, the income and expenditure of the Society nearly balance each other. If the society is to follow out its full programme of propaganda, it must be provided with more funds and more men. The Government grant of Rs. 1,980 per annum was made in 1918 for a period of three years; it has to be renewed in the current year; we have made an appeal to Government in due time to increase its grant to Rs. 3,000 per annum. In addition, we hope they will kindly lend to the society the services of an expert Inspector to help it in carrying on its increasing volume of work.

Our Programme for the coming year :—In our two previous Reports the programme and policy of the society have been laid down in clear terms and it is needless to repeat them here; non-official propaganda work is as important and necessary as the official direction of the movement. Men and money are the two things necessary for this purpose: if we have the men, money will be forthcoming. But, unfortunately, non-official workers are not satisfactorily responding to our call for help. If the society is to expand its activities in the directions indicated in last year's annual report, if it to carry out its full programme of Co-operative Training and propaganda in Calcutta and in the mofussil, official aid and guidance must be supplemented by generous and abundant non-official assistance. We make an earnest appeal to all—merchants, teachers, zemindars and members of the legal and medical professions—to come forward and help us in achieving our object of propagating co-operative ideas throughout the Province.

The thanks of the Society are due to Mr. J. T. Donovan, Mr. M. Thorp, Mr. T. C. Roy, Mr. N. C. Bose, Professor J. C. Coyajee and Professor P.

Mukherji for the services they have ungrudgingly rendered in diverse ways to the Society.

3. On the motion of Mr. T. C. Roy seconded by Kumar M. C. Singha, Sir P. C. Roy, Kt., C.I.E., D.Sc., was unanimously elected Chairman of the Society for the year 1921.

4. On the motion of Rai Sahib Taraknath Maitra seconded by Mr. A. F. M. Abdul Ali the following office-bearers were elected for the year 1921—

Vice President—Mr. J. T. Donovan, I.C.S.

Hon. Secretary—Prof. P. Mukherji, M.A., I.E.S. (Offg.).

Hon. Asst. Secretary—Prof. Promathanath Sarkar, M.A.

Hon. Treasurer—Mr. N. C. Bose.

Hon. Auditor—Babu Muralidhar Das.

5. On the motion of Mr. B. De seconded by Khan Bahadur Asaduzzaman the following were elected members of the Executive Committee for the year 1921—

Hon'ble Mr. P. C. Mitter, C.I.E.; Rai Indu Bhushan Bhaduri Bahadur; Prof. B. K. Bhattacherjee; Mr. C. G. B. Stevans; Babu Surendra Narayan Sinha, M.L.C.; Babu Tarak Chandra Roy; Rai Bahadur Dr. C. L. Bose; Principal G. C. Bose; Babu Surendra Nath Mallik, M.L.C.; Mr. B. De; Rai Radhika Mohan Lahiri Bahadur; Kumar M. C. Sinha; Rai Sahib Narendranath Chatterji; Dr. D. N. Maitra; Mr. N. G. Basak; Rai Sahib Taraknath Maitra; Babu Nabagopal Bose; Mr. S. M. Bose; Mr. M. Mahmud; Khan Bahadur Asaduzzaman; Mr. H. W. B. Moreno; Khan Sahib Abdul Majid (Gariahanda); Khan Bahadur Wasimuddin Ahmed (Pabna); Mr. Mofizuddin Ahmed, M.A., B.I., (Narainganj).

6. Babu Kishori Mohan Chaudhuri, M.L.C. moved a hearty vote of thanks to the outgoing office-bearers and members of the Executive Committee and to the Naogaon Ganja Cultivators' Society for their handsome donation of Rs. 500 to the Society.

7. The meeting terminated with a vote of thanks to the Chair proposed by Kumar Shib Shekhereswar Roy, M.L.C. and seconded by Babu Surendra Narayan Sinha, M.L.C.

**THE THIRD ANNUAL GENERAL MEETING OF THE
BENGAL PROVINCIAL CO-OPERATIVE
FEDERATION, LIMITED**

27th February, 1921

The first item on the agenda was the election of the Board of Directors for the coming year and this was taken up along with item No. 6(3) in regard to the appointment of a non-official Chairman.

After discussion it was decided in accordance with the wish of the Government of India to have a non-official Chairman in future. The Board was then elected as follows :—

For the Rajshahi Division Khan Bahadur Maulavi Ataur Rahman and Rai Sahib Tarak Nath Moitra ; for the Chittagong Division Mr. I. B. Dutt, M.L.C., and Babu Nalini Nath Banerjee ; for the Burdwan Division Babu Mammatha Nath Bose and Rai Sahib Kamala Prosanna Roy ; for the Presidency Division Rai Indu Bhushan Bhaduri Bahadur and Babu Jatindra Nath Ghose ; for the Dacca Division Khan Bahadur Maulavi Zahiruddin Ahmied, M. L. A., and Babu Bireshwar Lahiri.

Mr. J. T. Donovan, I.C.S., and Mr. N. C. Bose were elected from Calcutta.

Mr. I. B. Dutt was unanimously elected Chairman of the Federation for the coming year.

2. The annual report of the Directors was next considered and accepted.

"The Directors beg to submit their report and the audited accounts of the Bengal Provincial Co-operative Federation, Ltd., for the year ended 31st December, 1920. Although the balance sheet shows a net profit of Rs. 21,899-13-9 after providing Rs. 10,000 for depreciation your Directors by a majority, have decided to recommend to you that provision should be made from the profits for the total depreciation of the securities held by the Federation, the additional sum to be placed in the depreciation reserve is Rs. 11,854-4-0 and there will therefore remain for distribution a sum of Rs. 10,045-9-9 of which 25% must be placed in the statutory reserve. The Directors recommend payment of a dividend at 2½% on shares. They also

recommend a bonus of Rs. 500 to the Manager and a bonus of one month's pay to the staff.

The good work done by the Federation has, we are glad to observe, dispelled much of the misapprehension which existed as to its real aims and objects and it is a matter of great satisfaction to us to be able to record an increasing growth of harmony in its relations with its affiliated societies.

As in previous years the Federation rendered great assistance to its members by offering good terms for their idle funds. It paid 4½% on Current Deposits and 5% on Reserve Fund Deposits of Central Banks and on deposits for short terms—for 3 or 6 months. The conditions of the money market made it difficult for a time to continue this rate but in view of the benefit derived by the members no reduction was made even though the profits of the Federation suffered. The making of large profits is not among the objects of the Federation ; its chief aim being to accord its services as cheaply as possible to its client societies. That the members did not fail to take advantage of the facilities offered is evidenced from the fact that during the year 18.61 lakhs was deposited by the members in current account as against 13.01 lakhs of the previous year while withdrawals from the same account amounted to Rs. 18.80 lakhs as against 8.57 lakhs of the previous year. These frequent deposits and withdrawals are the surest signs of the healthy working of the Federation.

Short term deposits amounting to Rs. 5,24,156, were received from members while repayments on this account amounted to Rs. 4,85,902. The Reserved Fund Deposit of the members amounted to Rs. 37,197 against Rs. 26,935 of last year.

Cash Credits have been formally granted to the undermentioned members for the amounts shown against each. No member has been refused a Cash Credit up to one third of its normal credit and every member is entitled to such cash credit but all have not yet claimed it.

Pabna C. B.	...	...	...	...	36,000
Milk Union	...	...	...	...	3,000
Khepupara C. B.	...	...	...	...	3,000
Rampurhat C. B.	...	...	...	...	8,000
Dacca C. B.	...	...	...	...	18,250
Gaibaudha C. B.	...	...	...	...	28,800
Naogaon Ganja Society	...	...	...	...	1,00,000
Birbhum C. B.	...	...	...	...	1,600
Darjeeling C. B.	...	...	...	...	5,000
Raruli C. B.	...	...	...	...	10,000

We regret that the financial position of the Federation does not yet justify an attempt at treating all loans as cash credits. The reasons were given at length in our last report and need not be reproduced here. In practice however, the Federation has rarely refused to accept deposits before

maturity and has rarely refused loans and extensions where good reasons for such were given.

The sanctioned credit with the Imperial Bank of India, Calcutta, stood at Rs. 3,78,800 on 31st December, 1920. The transactions show a credit of Rs. 32.71 lakhs to this account against a withdrawal of Rs. 32.85 lakhs during the year. The account showed its highest debit balance on the 9th June, 1920.

Membership has increased from 63 to 71 and the share capital from 2.19 lakhs to 2.76 lakhs.

Loans issued to members amounted to 13.83 lakhs against 11.16 lakhs of the previous year while repayments amounted to 14.06 lakhs against 12.20 lakhs of the previous year.

Rs. 1,37,940 was received as fixed deposit from non-members against Rs. 2,19,758 of the previous year. The balance of deposits of non-members on 31st December, 1920, shows a decrease by Rs. 2,74,327. The falling off is explained by the repayment, on maturity, of deposits carrying high rates of interest and to the shortage of fresh deposits due partly to the tightness of the money market but mainly to the offer of higher rates by certain Central Banks to the Calcutta financiers. This practice of seeking funds in Calcutta at rates higher than the Federation rates is very injudicious on the part of the Central Banks. As a matter of fact it eventually operates to their own loss, as the Federation would always help them, and it is detrimental to the general interests of the movement. It is to be hoped it will cease. The Federation, however, had no difficulty in meeting the legitimate demands of its members and throughout the year it commanded resources adequate to meet every contingency. Although the Federation is open to accept deposits from the public its ultimate aim is to act as a balancing institution for the Central Banks' finance and to utilize throughout the year the excess deposits of some of its members to supply the deficiency of finance in others. You will be glad to observe from the balance sheet submitted by the auditors that the financial position of the Bank continues to be satisfactory. It commanded adequate fluid resource throughout the year. On the 31st December, 1920, it had 3.92 lakhs in Government Paper, 3.55 lakhs as deposits of a liquid nature in Joint Stock Banks and 3.77 lakhs as undrawn balance of cash credit with the Imperial Bank. So that, in all, it had Rs. 11.24 lakhs of fluid resource against 4.52 lakhs of deposits maturing in 12 months, 5.06 lakhs on account of current deposits and 1.90 lakhs representing undrawn balance of cash credit granted to the affiliated societies.

Non-official Chairman—The Government of India expressed a desire that the Registrar should not be asked to continue as Chairman for more than three years. It is necessary therefore for the General Meeting to consider this question now.

Profits.--The profits for the year but for depreciation of securities would have been Rs. 31,899-13-9. The depreciation of some of the securities at least can be considered as only temporary and all our securities mature at certain definite and comparatively early date, viz., 1928, 30 and 45 to 55.

It would be deceiving ourselves and our clients if we did not provide for depreciation and we have therefore proposed to write off the whole of the amount by which our securities have depreciated leaving Rs. 10,045-9-9 as net profit available for distribution and of this amount we must place according to law at least Rs. 2,511-6-5 in the statutory reserve fund. Entrance fees must also be added to the Reserve Fund.

The work of the staff has been uniformly satisfactory.

The Directors are grateful to the Working Committee for the good work done by them.

The Directors retire under bye-law 40 and all are eligible for re-election.

3. A dividend of $\frac{2}{3}$ per cent. as suggested by the Board of Directors was passed.

4. The maximum amount of borrowings for the year was fixed at 10 times the sum of the paid up share capital plus Reserve Fund separately invested.

5. The following amendments to the by-laws proposed by the Directors were accepted by the meeting :—

(a) Bye-law 5, clause (c), Subclause (I).

"* * * and provided also that the total liabilities of the Federation at any time shall never exceed ten times the sum of the *Subscribed Capital and its own Reserve Fund for the time being.*"

The words italicised should be replaced by "Paid up share capital and the Reserve Fund for the time being separately invested outside the Society."

(b) Bye-laws 14 and 26.

In Bye-laws 14 and 16 the word "Federation" should be substituted for the word "Bank" wherever it occurs.

(c) Bye-law 45.

"The Board of Directors shall cause minutes to be made in the books to be provided for the purpose of the following matters" :—

The clause 'in the books to be provided for the purpose' should be transferred after the word 'shall' in the first line.

(d) Bye-law 50.

The word "its" should be substituted for the word "their",

(c) Bye-law 52.

The new clause to be added as Clause (3) and which will run as follows :--

"From the remainder a bonus may be paid to members but the rate of bonus recommended by the Directors shall not be increased by the General Meeting."

Existing Clause (3) to be renumbered as "Clause (4)."

(f) Bye-law 54.

The following addition should be made to the above bye-law providing for the indivisibility of the Reserve Fund.

"(e) The Reserve Fund shall belong to the Federation and be indivisible amongst the members. It shall ordinarily be invested in Government Securities, Post Office Savings Bank or any co-operative institution approved by the Registrar or in any other means laid down in Section 32 of the Co-operative Societies' Act.

(f) The Reserve Fund shall be available for any of the following purposes :--

(i) To cover any loss arising from any unforeseen circumstances such drawing upon it being reimbursed to the fund from the next accruing profits.

(ii) To meet any call on the Federation which cannot be met otherwise such payments being reimbursed to the fund when fresh collections are made.

(iii) To serve as security for any loans which the Federation has to contract.

In the case of dissolution of the Federation the Reserve Fund shall be applied to such purpose as may be determined with the approval of the Registrar by the majority of the members."

(g) Bye-law 56.

The words "some person or persons" should be substituted for the words "any person" in this bye-law.

6. Bye-law 38.

As the appointment of a non-official as Chairman of the Federation involves a change in the bye-law No. 38, this bye-law was amended.

7. The Budget Estimate for 1921 as presented by the Directors was approved.

8. Messrs. Meugens, Peat & Co. were appointed Auditors for the ensuing year.

9. With a vote of thanks to the retiring Board of Directors and the Chairman the meeting closed.

J. T. DONOVAN,
Chairman.

THE NAOGAON GANJA CULTIVATORS SOCIETY

Annual General Meeting.

The Co-operators of the Naogaon invited the Hon'ble Minister in Charge to visit Naogaon and open the new office building of the Naogaon Ganja Cultivators' Co-operative Society Limited. This interesting ceremony took place on the 16th February. A tastefully decorated pandal was erected in the compound of the Society. The Minister opened the building with a silver lock prepared for the occasion. Mr. W. A. Marr, Commissioner, Rajshahi Division, Mr. S. C. Mukherjee, Commissioner of Excise and Salt, Bengal, Mr. J. T. Donovan, Registrar, Co-operative Societies, Bengal, Mr. Biss, Special Educational Officer, Mr. Reid, Collector of Rajshahi and other high officials and several non-officials gentlemen graced the ceremony. Prof. P. Mukherji and Rai Indu Bhushan Bhaduri Bahadur attended as representatives of the Bengal Co-operative Organisation Society.

After this ceremony the 3rd Annual General Meeting of the Naogaon Ganja Cultivators' Co-operative Society Limited was held under the Presidentship of the Hon'ble Nawab Syed Nawab Ali Chaudhuri, Khan Bahadur, C.I.E., Minister, Bengal. The annual report on the working of the Ganja Society for the period from 1st October, 1919, to 30th September, 1920, was read and passed. Some amendments were made in the bye-laws. The Co-operators of other places were very much pleased to see the cultivator members of the society arguing very intelligently on some important questions. They really appreciated here what co-operation has done towards bettering the conditions of the cultivators.

The share capital of the society on the 30th September, 1920 stood at Rs. 29,976 with 2,932 members. It made a profit of Rs. 2,50,665-4-5, out of this the Society set apart a sum of

Rs. 11,500 for charity including Rs. 1,000 for development of Co-operative movement in Bengal.

It has employed an experienced Veterinary Assistant for the treatment of the cattle of the members. Besides this a propaganda work is taken up for starting a Cattle Insurance Society.

It has allotted out of this year's profit a sum of Rs. 25,000 for Reserve Fund.

Rs. 3,000 for price equalization fund.

Rs. 3,670-6-3 for payment of dividend.

Rs. 1,37,550-7-6 for paying bonus.

Rs. 15,000 for building fund.

First year it allotted Rs. 15,000 for Education; of this Rs. 4,500 was contributed towards subsidising a High School, Rs. 2,500 for a minor school in the Ganja Mahal and the rest was spent for primary education. A sum of Rs. 3,000 was given to a high school and a minor school out of the last year's profit.

Out of the fund provided for primary education 3 girls' schools were given comfortable corrugated iron houses with equipments and several others were provided with furniture and teaching appliances. Two primary boys' schools were provided with houses and equipments and twenty others have received monetary help. 3 boys were sent to the Rangpur Tobacco Farm to learn tobacco cultivation and curing with a monthly stipend of Rs. 10 each for about 4 months. The Society's Agricultural Farm which was under contemplation will soon be an accomplished fact. The general meeting has decided to invest Rs. 60,000 for purchase of lands for the Farm.

Through the Co-operative Credit Banks amongst the members of this Society outside debts of the members of the society are being liquidated. Many members' lands are in possession of mahajans under usufructuary mortgages and attempts are being made to clear of the loans and put them back in possession of their lands.

The members have realised that with the consumption of ganja falling, they must look round for other crops to replace it. Sugar-cane finds favour with them. Twenty thousand cuttings of tana-cane which were distributed amongst the cultivators last year have proved a distinct success.

An exhibition was held with the local agricultural and industrial products on this occasion of the meeting. Prizes were awarded to those who could exhibit good products.

It was resolved in the meeting that the Society should contribute Rs. 500 to Haj Committee this year and subscribe to the same Rs. 300 annually from 1922.

EXTRACTS FROM CENTRAL BANK REPORTS

1. The Pabna Central Co-operative Bank, Ltd.

The Central Bank has pursued the same policy as in the previous two years of very cautiously granting fresh loans to its societies and it has not remained satisfied merely on issuing the loans but it has to the best of its power and opportunities watched how the new loans have been distributed among their members. Though it may be objected that this sort of interference is not strictly legal or constitutional, still experience has shown that this sort of precaution must be adopted so long at least as the full sense of joint and unlimited liability is not realised by the individual members of our constituent societies and until all the individual members realise that wrong distribution of the amount loaned by the C. B. and the misuse of the cheap credit is suicidal to themselves. At the same time the C. B. has cautiously kept in view that none of its affiliated societies is financed beyond the maximum credit.

The difficulties that are to be overcome before any marked improvement can be made are also very great. The practice of the members depositing in their societies by "Musti Chaul" has been introduced and good many societies have shown an encouraging record. Kordulia Society is the ideal on this point. Reports have been received about the starting of night schools such as at Lakhimpur where the boys of the members are being taught. In the early days of the movement, as is the case unfortunately almost everywhere, office-bearers of societies took the lions' shares of the loan; and they are as indifferent in repayment as they were selfish in the appropriation of the bigger loans for themselves. The result is that such an office-bearer cannot have the moral courage to ask his fellow members to pay since he is himself a miserable defaulter. Instances of temporary misappropriation by secretaries of the societies' cash balance are not rare. Proceedings of the bogus meetings to serve the ends

of those in powers are also sometimes detected. These discouraging aspects of our rural societies, though much removed by audit and inspection, cannot be wholly uprooted until literacy spreads more extensively among the members generally. The corporate work excepting in the 'B' and a very few of the 'C' class societies is not unfortunately much in evidence. Teaching of Co-operative principles and translation thereof into action in the village societies is the only remedy—we earnestly invite our philanthropic countrymen largely to come to our help.

The grip of the outside Mohajans has slackened very considerably over our members and their rate of interest notwithstanding the extreme stringency of the money-market, and generally the disturbed economic condition of the country, has fallen down mainly as a result of the rather extensive working of our movement.

2. The Chandpur Central Co-operative Bank, Ltd.

Review of the working of affiliated societies :—

The following comparative table would give you an idea as to how the societies progressed during the year under report :—

Year.	Membership.	Working capital.	Deposits.		Share.	Profit.	Reserve Fund.
			Rs.	Rs.			
1918-19	...	2,360	2,02,836	4,914	1,885	4,881	7,251
1919-20	...	3,573	3,34,586	7,685	6,070	9,513	12,798

As to defects :—In the Directors' Annual report for the year ending 30th June, 1919, the defects ordinarily to be found in the societies were at considerable length discussed and commented upon. We would not therefore recapitulate them here again. We would only say that there is no cause for anxiety as they are gradually disappearing from the societies.

As to deposits in societies one word is necessary. The cultivators with whom we are to deal in our societies, are proverbially improvident. To teach such people thrift and economy is one of the main objects of our labours. So you may easily understand how up-hill the work is. However it is satisfactory that the

members are every day appreciating the value of deposits and in some of the societies, they have gladly adopted the "Musti-rice" system.

We have already dwelt upon the re-payment of loans and interest by societies. As would appear from the Loan Account annexed, this year also some 20 societies have more or less defaulted. We are trying our best to improve their condition. We have no doubt that *with your hearty sympathy and co-operation as our stimulus and inspiration* we shall attain some measure of success.

One matter in this connection deserves some consideration. We make it a point to note it here because belonging as we do to a principally jute area, we feel its pinch the most. The area under this Central Bank is chiefly a jute area. One difficulty which confronts us most is the fact that the growers of jute cannot dictate the price at which they should sell. This is perhaps the *only commodity* on earth which shares such a fate. It is really a pity that the growers of this article are in such a precarious situation. Unlike others, they are to submit to the sweet pleasure of their purchasers. This is a strange irony of fate and even a most cursory examination of the question inclines one to hold that unless and until there is *co-operation* in this respect, the condition of the agriculturists at least in jute-growing areas cannot materially alter. They are so circumstanced that they cannot call up courage to refuse to sell their jute unless a certain price is offered. The pangs of hunger compel them to submit easily and often the result is that they do not get even the cost price. Necessary allowances must also have to be made for the freaks of nature over which no human agency has any control. These are some of the outstanding circumstances which require most careful consideration and investigation and we hope they will not fail to attract your attention.

Diffusion of education amongst the members is also a matter for serious consideration. We are glad to observe that in some of our societies we have been able to enlist the services of comparatively educated men and we are confident that noble as our cause is, we shall not lag behind in this respect too.

Generally speaking we should say that though our societies are progressing still we should take time by the forelock and see that no defects of any sort may exist in them. Every attempt should be made to increase the number of 'B' class societies. In this connection we should tell our Supervisors that they should always aim at thorough and careful work and see that in the next audit, this years' "C" class societies may find their way to the "B" class and in awarding promotion, this will be the main criterion.

We have already referred to the "D" and "E" class societies, and have attempted to give you a glimpse into their working.

Now we should tell you, the representatives of the societies, once again that mere extraneous endeavours will be of little avail unless you yourselves be earnest honest and thoroughly business-like. After all this is business and to succeed one must do his duties like a businessman and we have no doubt that you will not misinterpret our observations and take them in the right spirit.

Effect of the movement on the economic and moral condition of the members :

It is a happy sign that the movement has succeeded in producing an impression upon the people for whom it is intended. Office-bearers of societies are gradually learning to look upon these institutions as something different from mere money-lending concerns. In the localities where we have societies, the people generally abhor money-lenders and their business. In some of the societies, the amount of outside debts had been greatly reduced. Rates of interest have decreased. Members have realised that it is their moral duty to keep people far aloof from litigation, both civil and criminal and they have, to some extent, understood the utility of joint action for common good.

3. The Chittagong Central Co-operative Bank, Ltd.

The Central Bank got itself affiliated to the Bengal Co-operative Organisation Society year before last, and asked its affiliated societies to be also members to help in the sound, speedy and pro-

gressive development of the Co-operative movement in Bengal. The "Bengal Co-operative Journal" and the "Bhandar," of which the Central Bank is the subscriber, are being ably conducted under the auspices of the Bengal Co-operative Organisation Society.

One society which deserves special mention is the "Chittagong Municipal Methors Joutha Bank" established amongst the sweepers of the Chittagong Municipality. It was registered on 27-1-20. The Society is unique of its kind in the whole province. Because our much esteemed Commissioner, the Hon'ble Mr. K. C. De (Master Co-operator) helped us with his ideas and drafted a resolution on our behalf for the Municipal Commissioners, we have been successful in starting such a society amongst the members who have no property and permanent habitation.

The resolution as drafted by the Divisional Commissioner and passed at the Municipal Meeting dated 13-8-19 was to the effect :—

"Resolved that such sweepers as join the Co-operative Society proposed to be established amongst them, they be granted an advance of salary not exceeding Rs. 5 per head for the purpose of buying shares in the Society provided that the total amount of advance does not exceed Rs. 500 and that the advance be recovered from their salaries at the rate of four annas per head per month from the month of January, 1920."

The Society took loan of Rs. 3,240 from the Central Bank and repaid Rs. 300 in the meantime. It has received Rs. 3,426-4 from its members and has got payment of shares of Rs. 481-8. It is very cheering to observe that the sweepers themselves have become depositors and are trying to run up their Society by their own money and repaying the Central Bank's loan. The Society has gained profit within this short time Rs. 130 by meeting expenses of Rs. 196 and has got 191 sweepers to join it.

To gauge the progress of the Societies they are classified by the auditor specially at the time of statutory audit.

A. The specific classes are :—

"A"	Good
"B"	Fair

"C"	Average
"D"	Bad
"E"	Hopeless.

The classification as stands this year up to 30-6-20 and as compared with previous years :--

	1919—20	1918—19	1917—18
"A" class	6	2	4
"B" class	10	11	11
"C" class	22	22	8
"D" class	3	2	2
"E" class	3	1	0
On probation	10	6	13
Not yet audited	5	5	

The rural societies do not ask for more loans than are actually necessary and make economic use of the sums borrowed. *Kists* of interest are regularly kept. It appears that members understand that they are jointly and severally responsible for the punctual repayment of the loans taken and that there is a moral obligation attached thereto in helping each other in time of need. The Directors of the Central Bank feel glorified to observe that in one society, viz., the Joara J. B. (which has been classed "A") all the members contributed their quota of donations to relieve the distressed condition of their late Secretary Babu Har Gobinda Acharyya and liquidated the balance of the loan outstanding against him. The effect of the Co-operative movement on thrift and saving habit is yet to be seen.

The movement has done immense good to borrowers in this hard time of scarcity, the majority of the societies reports that the mahajans are lessening their rates of interest to keep pace with the working of the Co-operative Societies. The Paraikora Urban Co-operative Credit Society, Ltd. reports that it helped one of its members to release bond which carried interest @ 50%. The Chittagong Municipal Methors Joutha Bank reports that it helped one of its members Bachilal by name to liquidate a bond from Halim Khan Kabuli, which carried interest @ 150% and other cases as well may be cited.

The pessimistic spirit in which the people took up the movement is not noticeable now and it is rather clear that the public has rightly appreciated the benefits and consequently the Central Bank in being overwhelmed with application for establishment of new societies. Babu Akshay Kumar Bose (Inspector of Co-operative Societies) wrote a drama entitled "Samabay" (Co-operation) to explain the principles of co-operation to the public. If the drama is enacted by the several societies, it is expected that the public will be greatly educated and its attitude towards the movement will be optimistic.

The rural societies organised by the Central Bank are in general working smoothly and harmoniously. Three dispute cases were started by the Sitakunda G. C. Bank and the Registrar appointed Rai Sahib Iswar Chandra Das Gupta to be the arbitrator, and his two awards were approved by the Registrar. Babu Ranjan Lal Sen, B.I.L., one of the Directors took active interest and was appointed pleader to present these decrees before the courts. These decrees are being executed by the Civil Court as if they were the decreee of the court. Some suits have been instituted by the Chittagong Urban Co-operative Bank, Ltd., and the Islamabad Town Bank, Ltd., and the Khitapehar Joutha Bank.

The Bengal Co-operative Organization Society of Calcutta has proved highly helpful to the Banks. The Journals—"Bengal Co-operative Journal" and the "Bhandar" are splendid publications on Co-operation; and the societies have been requested to join the Organization Society started for the sound and progressive development of Co-operation in Bengal.

Co-operation and Home Industries :—Promotion of Home Industries on Co-operative lines is a desideratum. It is expected that the Bengal Home Industries Association of Calcutta will serve as a guide.

The attention of the Directors has been drawn to the following kinds of industries of Chittagong :—

(1) Mat making, (2) Paper making, (3) Pottery, (4) Palms umbrellas, (5) Fishing nets, (6) Bamboo work, (7) Clay modelling, (8) Peacock feather industry, (9) Leather and hides, (10) Wheel wright of carts, (11) Cutlery.

Co-operation and the last Exhibition of Chittagong :—

The Exhibition was opened on the 26th February, 1920 by the then officiating Commissioner Mr. A. H. Clayton. The Co-operative Societies' stall took the foremost place in the Exhibitions, among other exhibits of agriculture and horticulture and of home industries. Our much esteemed Registrar Mr. J. T. Donovan despatched the exhibits to Chittagong under the charge of a Co-operative Inspector before they were sent to the Dacca Exhibition for His Excellency's show. The following exhibits were shewn :—

- (1) Clay models illustrating the benefits of Co-operation.
- (2) Charts and graphs shewing the gradual development of the Co-operative movement in Bengal.
- (3) Pictures representing the condition of the people before and after taking to Co-operation.
- (4) Cotton, silk, tassar, and leather goods prepared by the members of the Co-operative Industrial Societies in the Province.
- (5) Shellac toys and Cocoons being the production of Co-operative Societies.
- (6) Several models, globes, relief maps and other exhibits prepared by members of Co-operative Credit Societies in Chittagong.

THE FATWA CO-OPERATIVE STORES, LTD.

Introduction.—It is needless to repeat what has been said in previous years still it is desirable to give a brief idea of the institution. The main object is to render facility to the cultivators in disposing of their products to the best advantage in the market because at the time of harvest cultivators require money and have to sell their produce at a cheap rate to pay off their rent and other loans. To avoid this and allow the benefit of the market they store their product at the time of harvest and in case of necessity they get 80 per cent. at market rate of their goods without interest provided their goods be sold within week. But when goods are sold they have to pay at one pice per rupee in addition to the interest at 12½ per annum.

The other objects are to supply them improved seeds and manures etc.

Capital.—This store came into existence on 13th March 1918 with an authorised capital of 10,000 to be made up by 2,000 shares of Rs. 5 each. Up to last year 522 shares were subscribed out of which 360 by 41 individuals and 153 shares by 17 societies and Rs. 2,002-8-0 was paid up Capital. We are glad to report that 613 shares out of which 412 were subscribed by 57 individuals ; out of them one transferred his share to another share-holder and 2 share-holders transferred their shares to a corporate institution with the approval of the Board of Directors. Out of them 10 share-holders of 24 shares could not pay their Call till the close of the year thus 2,000 have been paid by them, 16 societies subscribed 201 shares and paid their full share money, i.e., Rs. 1,005 so the total paid up shares of the store was Rs. 3,005, we received Rs. 350-6-6 as fixed Deposit from individuals in deposit and Rs. 10,486 from societies for transmission to the Central Bank. Our total deposit was Rs. 17,106-0-0 out of which and deposit in previous years Rs. 17,306-10 have been refunded and sum of Rs. 3,59-2-6 remain with the Store. Rs. 203 was deposited in the Sonaruh Society by mistake which we got back after the close of the year. Our financier was Provincial Bank from whom we borrowed Rs. 9,864-13-2 till our share-holders resolved to open transaction with the Central Bank in an extraordinary general meeting held on 20th September 1919. Our Store was indebted to the Provincial Bank from last year to the extent Rs. 6,178-14-3 thus total debt came up to Rs. 16,043-34-5 to the Provincial institutions out of which we repaid Rs. 15,855-3-3 during the year leaving a balance of Rs. 188-8-3. Since we opened our accounts with the Central Bank we borrowed Rs. 22,547-11-6 and repaid Rs. 11,335-1-10 leaving a balance of Rs. 11,312-0-6.

The statement attached herewith will give an idea of nature of receipt and disbursement but to make it clear it seems desirable to mention

that we got Burnia and broken rice from the agent appointed by the District Magistrate through the kindness of the then Sub-divisional Officer who was none other but our own Chairman. These are the only new commodities in which we dealt within the year and received only one consignment of each. It is a matter of credit to our Directors that the public were much pleased to purchase these commodities from Store than elsewhere. The reason is that they were confident of getting them cheap and actual in weight here than any where else.

Salt.—The District Board was pleased to appoint our concern as their agent for salt in the year before last we get only 4 waggons salt during whole year. It is a matter of great regret to report that although we deposited price of 2 waggons salt through the Local Post Office on the 2nd and 10th April 1910 and sent empty bags as well and inspite of numerous correspondence with the salt authorities at Khewra and Postal Department at Patna we are not in receipt of salt. It transpired that on account of slackness on the part of Postal authorities we sustained such a heavy loss in keeping our capital unemployed for over 18 months. This year again we sent 450 bags to Khewra and when our agent went to Patna, to deposit price in treasury, he was informed that it has been stopped, on reference to Khewra it was said that the District Magistrate had ordered to countersign indent that without his permission price could not be deposited. Accordingly we applied for his permission but to our utter disappointment we were disallowed to deposit price. From which it is clear that unfortunately our position is not better than even traders still it is called an official movement. It would not be out of place to mention that except our concern none was recognised as agent for salt in this town and our position in salt has already been described at the top of this paragraph thus the profiteers were allowed to extort as much as they could.

Ghee.—As the members of several societies insisted upon to dispose of their ghee but they disliked to deposit hence it was considered desirable to purchase ghee. During the year we purchased ghee for Rs. 1,784-13-4 and sold them having a stock of Rs. 248-7-0 in hand. We are glad to mention that the quality was liked by our purchasers. The Gulzarbagh Press Co-operative Store was biggest customer for this commodity.

Seeds.—We purchased only Pusa Wheat this year though popular among cultivators still in order to compete with local dealers we sustained a loss of Rs. 18-2-8.

Manures.—Our Hide salt stock of last year is still unexhausted but we cleared off castor cake which was much popular among potatoe cultivators. We made experiment of Nitrate of Soda and Bonemeal, the former was successful in onion cultivation and latter was not experimented till the close of the year. The demand for Nitrate of Soda was so increased that we made second indent and sent advance but on account of railway difficulty they could not despatch it in time and we were compelled to cancel our order

and the price sent was returned which we showed as an assets of Rs. 24-12-0

Malpetti.—The members and non-members whoever deposit goods in the Store has to pay commission at the rate of 3 pies per rupee but it has been reduced in case of clean Masure for Re. 1 per cent. This commission is locally called *arhat* and money advanced on deposit of goods is popularly known as Malpetti.

Hisab Chukli.—When the goods of depositors are sold to purchaser on the very day we used to credit against depositor and debit the same against purchaser and we called it *Hisab Chukli*, i.e., Suspense Account but when the money will be paid by the purchasers it would be credited in his account. We like to point out that even in Calcutta market the practice is otherwise. They credit against depositor or customer after a month though they realize in cash. This enable them to gain unfair interest from customers and to earn interest upon the money actually received we condemn such improper dealings.

The Ranchi Weavers Co-operative Store sent some cloth though very durable still we could not sell on account of late arrival which was due to Exhibition work and the people say that the price is higher than our market rate. Babu Dowarka Prashad, resident of Patna City, has started a Weaving business and prepared Duster, Charkhana and Motia, he requested us to find out a market and deposited his cloths and took advance thereon, though we could not find market on account of monopoly of local weavers still of late his own efforts found out a good market in Calcutta for his stuff which are clearing off our Stock.

Palodari.—The cost of handling bages, we used to pay it from Store but after goods are sold we release it from our respective members.

Dalali—In the local market there are many *Dalals* and without their intervention no sale can be effected. Still some of our members are to sell direct but purchaser prefer to deal with through broker who get at 0-5-0 per cent. from sellers. Thus we realised Rs. 63-1-0 and paid Rs. 51-12-3 and Rs. 1-10-6 is due total Rs. 53-6-0 leaving a sum of Rs. 9-0-3 as profit.

Last year at the time of inspection Registrar after discussing advantages of the Store with the Member of the Societies came to conclusion that before the harvest the cultivators require money to pay off rent, etc., and *Baiparis* use to advance money in order to get grains at cheap rate. He therefore orally advised us to make experiment in this direction. In this year it so happened that during the whole of Chait the sky remained cloudy and Members could not even thresh their grains. As desired by the Registrar they approached us and we as an experiment advanced money taking an agreement to deposit grain fixing a limit with some reliable surity with the result that the Members of several societies in a body dealt with the Store and made it popular among cultivators, our directors are glad to observe that during the year under report we collected Rs. 511-0-0 as Arhat against Rs. 279-1-6 last year. This shows that the progress is far better than that of the last year

though the profit is less than last year. It is clear that for less profit Store is not much responsible because about Rs. 1,377 was locked up during the whole year in Khewra. Rs. 500-0-0 was paid to the Barh Co-operative Mill being share Money on 29th September 1920 without any income for eight months for which about Rs. 30 interest paid by us, over and above those the transaction has been opened with the Central Bank at higher rate of interest i.e from 8 to 9 per cent per annum and the chy we paid Rs. 330-7-0 as interest. This means our additional loss for Rs. 36-7-0 or 1/9 of the total amount paid as an interest, this year we got Bye-laws in Hindi and English, Share Certificates and forms and Registers printed which cost us above Rs. 140-12-0 out of which Rs. 85-1-0 is still unpaid. If we take all these items they will come to Rs. 317-3-0 taking Rs. 55-11-0 actually paid printing charges, we unnecessarily sustained a loss of Rs. 17-6-7-0.

It would be not out of place if we mention here regarding dealings with weavers of Fatwa who are famous for many kind of cloth. This year we arranged to get some yarns to supply them, they did not turn up to get their yarns from this place though our price is lower than they pay for it we cannot describe any other reason except conservation not to go outside.

Profits.—In spite of strain upon our resources and loss of about Rs. 200 stated in the foregoing pages we could earn Rs. 769/9/7 as net profit during the year. As a matter of fact our Directors set aside Rs. 192/6/10 to reserve fund and Rs. 100/- to Building fund created last year and Rs. 51/- to charity (Rs. 11/- to Dispensary and Rs. 20/- to each V.P.H.E. Patshala and M. R. School) and Rs. 329/12/3 for distribution among Share holders as dividend at the rate of Rs. 12½ per cent. The remaining sum of Rs. 96/6/3 will be carried forward to next year's working Capital. Rs. 192/6/10 to be carried to Reserve fund from this year's profit and Rs. 62/0/2 undistributed profit of the last year. Total Re. 255/- will be adjusted out of Rs. 500/- already invested in the Share of Barh Co-operative Mill. And our reserve fund will be Rs. 655/- including last year, investment and Rs. 410-1-0 of building fund total Rs. 1,065/- still Rs. 245/- invested in Barh Co-operative Mill, is unaccounted.

Conclusion.—It would be futile to deal every point here but suffice it to say that this institution is purely a local institution having very little support from outsider which is evident from foregoing passages. The Board of Directors congratulate themselves for this satisfactory working of the Store in spite of adverse circumstances. With regret we observe here that in this year we had to borrow from a local man as there was unbearable delay in getting money from Central Bank on account of delay in cashing cheque with the Treasury.

EXTRACTS AND SELECTIONS

I. Co-operative Movement in Bihar.

In a letter to the Press the Publicity Officer alludes to the dissatisfaction that has been recently expressed in local press at certain aspects of the working of co-operation in Bihar and Orissa and states that the chief complaint appears to be that loans are granted to societies on too easy terms and that sufficient care is not taken to enforce punctual repayment. This slackness on the part of Central Banks, it is alleged, results in the accumulation of large debts which societies in the end are unable to repay and consequently go into liquidation. Anybody who is acquainted with the contents of the annual reports of the Co-operative Department will, however, find that this statement is altogether incorrect. The accounts of the Central Banks are periodically brought under the scrutiny of auditors, and there has been no falling off in the standard of efficiency required of either the Central Banks or the Individual Societies.

It has been stated the number of societies which go into liquidation every year exceed the number of new societies started. A casual glance at the annual reports will show how far from the truth this statement is, and how little trouble is sometimes taken by writers in the Press to get at actual facts and figures. The latest report of the Registrar of Co-operative Societies shows that in the year 1919-20 the number of new societies registered was 770, while that of existing societies liquidated was only 35. In 1917-18 there were 1723 societies, in 1918-19 there were 2213 and in 1919-20 there were 3011. Thus instead of a reduction in the number of societies, it is apparent that of recent years the increase has been going on at a very rapid pace.

Nor is this all. The audit reports show that the societies are every year increasing in efficiency. There has been a distinct fall in the ratio of societies liquidated to existing societies. The year 1918-19 opened with 1701 societies and 44 societies were liquidated in the course of the year. The year 1919-20 opened with 2169 societies and 35 societies were liquidated in the course of the year. Thus the percentage of societies liquidated in the two successive years is 2.6 and 1.6. The fact that in spite of the enforcement of a high standard of efficiency the percentage of liquidation should have fallen to so large an extent in the course of one year is a very reassuring feature of the last Co-operative report.

The rise of prices during recent years has been the cause of much hardship to the employees of the Central Banks. A scheme for an increase in the emoluments of these employees has been prepared by the Registrar of

Co-operative Societies. It ought to be clearly understood, however, that bank employees are not Government servants, and their salaries are paid by the banks themselves and must be limited by their resources. The scheme prepared by the registrar has been circulated among the different Central Banks, and it is hoped that the banks will approve the proposals of the Registrar.

2. Lahore Suburban Scheme.

In our issue of March 25 we referred to a scheme put forward by Diwan Khem Chand, barrister-at- law, for an "ideal suburban town" to relieve the congestion in Lahore city. Diwan Khem Chand now republishes his scheme with a progress report in which he states that he has received assurances that 200 houses (the minimum guarantee fixed by him) will be taken up ; and of these subscribers no less than 26 engineers have not only approved of the scheme, but have promised to assist it, if required. The promoter also adds that the scheme was shown to Mr. Calvert, I.C.S., Registrar, Co-operative Societies and Joint Stock Companies, who showed keen interest in it, and made various suggestions, and further that the Registrar has forwarded the scheme to Government for sympathetic consideration. At a meeting held in Lahore in connection with this matter various sites round about Lahore were discussed and it was *decided to ask Government for 1,000 acres of land from Rakh Kol Lakhpal, situated about six miles from the Lahore District Courts with a frontage of two miles in the main road to Ferozepore.* The railway line runs close to the Rakh ; the water there is said to be good and the soil fertile.

Plans and estimates of the scheme are not yet completed, but it is roughly calculated that roads and buildings will cost from Rs. 20 lakhs to Rs. 25 lakhs, the amount to be obtained from the sale of house sites and savings on the construction of houses. The bye-laws of the proposed company have also not been definitely framed, but it is suggested that each house will have a garden occupying two-thirds of the total area ; the company will build the houses and sell them to members, who will not own more than two such houses ; each member will purchase one share valued at Rs. 100, all profits being devoted to improvement of the town. When the company is registered, subscribers will be called upon to pay one fourth of the estimated value of their houses for purchase of land ; then another one-fourth (misprinted as three fourths in the prospectus) for the purchase of building materials ; later a further one-fourth for construction and finally the remaining one-fourth when possession is to be given. It is calculated that some houses will be ready by the end of the third year and that the whole will be completed in five years.

A further report showing actual progress of the undertaking will no doubt be awaited by all concerned with interest.—*Civil & Military Gazette.*

3. International Co-operative Trade.

In India as in most countries, says Mr. Leonard Wolf in a recent issue of the *Bombay Co-operative Quarterly*, there are only two or three forms of co-operation ; there is the productive, industrial or agricultural form ; secondly, the Co-operative credit form ; and thirdly, the distributive form in the stores. The system can never fully develop in India if it is confined to home production and distribution in these three forms. International co-operative trade can be conducted only by the distributive form of co-operation ; and it can also only be conducted on a considerable scale by wholesale societies. Even before the war, transactions of co-operative exchange on a small scale were conducted between the wholesale societies of Britain, Switzerland, Germany and Denmark. All these facts are of the first importance for international co-operative trade, and they show that India is already ripe for such trade. What is required is a multiplication and development of the stores and their federation in a wholesale society or societies ; then these Indian wholesale societies should get into touch with organizations like the English Wholesale Society, and each should probably become a member of each. The Indian Wholesale Society will find that there are many articles demanded by its members which have to be imported from England, and the English Wholesale will know that there are many articles demanded by its members which could be imported from India. Here immediately you will have a large field for exchange of goods between the two wholesale societies on co-operative principle. And here, too, the significance of the other fact mentioned above comes in. The Indian Wholesale Society should be the marketing agency for the products of Indian small industries, the agency for collecting and marketing them in India, and also for putting them upon the British market through the English Wholesale.

—Commerce.

4. Bengal Minister's Appeal to spread Co-operation.

In laying the foundation stone of the Nator Central Co-operative Bank on the 19th instant, the Hon. Nawab Sayid Nawab Ali Chaudhuri, Khan Bahadur, C.I.E., Minister in charge of the Department of Agriculture and Industry, said in part :—The erection of this new building of which I have the pleasure of laying the foundation stone to-day, marks a great step forward in the co-operative development of Nator. I hope, however, that co-operators of the locality will not treat this as a full stop, nor even as a resting-place but that they will rather continue to make every effort to spread the co-operative movement amongst the people,—a movement which is recognised by all to be one fraught with the greatest possibilities, one which is destined to exercise a predominant influence upon the lives of agriculturists and artizans and persons of limited means generally in this country as in other countries throughout the world. It is a noteworthy

fact that in other countries, co-operative institutions have exercised a very steady influence in times of crisis and political upheavals. Even the Bolshevik had to call a halt when he came up against the co-operative movement in Russia. The co-operators of Nator should see, and I am sure they will see, that their movement exercises a steady influence upon the people by making them happier, and more prosperous and giving them a great stake in the country and greater interest in orderly Government. In this belief and in this hope, it is a great pleasure to me to lay the foundation stone. I trust that on this stone will raise an edifice strong against all storms, to typify the strength of the people against all the storms that may assail them.

5. Bengal Registrar's Note on the Management of Co-operative Stores.

During the last two years there has been great demand for the formation of co-operative stores and the demand still continues. The main reasons for this development are -

- (1) the increased cost of the necessities of life ;
- (2) the belief that tradesmen and shopkeepers are profiteering ;
- (3) the belief that a co-operative store can undersell ordinary business concerns.

For the benefit of those desirous of forming co-operative stores it is necessary to enunciate certain essential principles in the management of stores which must be thoroughly understood and adhered to if failure is to be avoided. Before stating these principles a few words are necessary in regard to the motives given above for founding co-operative stores.

2. It has to be recognized that the standards of value have been considerably altered by the events of the last six years and it is vain to expect that prices will soon, if ever, return to the normal prices ruling before the war. The founders of co-operative stores would therefore be well advised not to entertain hopes of being able to reduce the cost of the necessities of life immediately to pre-war standards.

3. A great deal of exaggeration prevails in regard to profiteering. Professor Keynes writes in his book "The Economic Consequences of the Peace":—"These profiteers are, broadly speaking, the *entrepreneur* class of capitalists, that is to say, the active and constructive element in the whole capitalist society, who in a period of rapidly rising prices cannot but get rich quick whether they wish it or desire it or not. If prices are continually rising every trader who has purchased for stock or owns property and plant inevitably makes profits. * * * * * The profiteers are a consequence and not a cause of rising prices." How true these statements are has been recently demonstrated in the converse process when certain traders who might have been known as profiteers, if the price of sugar had continued to rise, are known to have suffered heavily by the sudden fall in

the price of that commodity. It will be wise therefore not to lay too much emphasis on the necessity of combating profiteers as a motive for forming co-operative stores.

4. The third motive behind the present demand for co-operative stores in Bengal, the belief that such stores can undersell ordinary business concerns, is just as likely to mislead as the other two. The co-operative store should not aim at underselling the market. It rates should be the market rates in all but the very exceptional cases of established extortion or profiteering in its worst sense.

5. Is there then any really material advantage other than unadulterated goods and fair measures to be derived from a co-operative store? This material advantage the English co-operators, whose stores are the best in the world early discovered. It is the division of profits among members in the form of rebates. The success of the English stores depends mainly upon the acceptance of this principle. A co-operative store purchasing at market rates and selling at market rates should be able to make profits as large as the commercial concern dealing in the same line. By placing larger orders it might even obtain its goods at cheaper rates and thus increase its profits. In the case of the commercial concern, the profits when they materialize, go into the pockets of the proprietor, or more technically go as dividends on capital. In the case of co-operative stores, however, the dividend on capital (shares) is limited, generally to a low but fair rate, e.g., 5 per cent., and the profits over the amount necessary for this are distributed to members as rebates on purchases or as dividends on purchases.

6. Profits cannot be distributed in any case before they materialize. The future is uncertain even in a co-operative store. Hence to endeavour to undersell the market is to attempt to anticipate profits and to distribute them before they materialize. As this is fatal it must be avoided. Members must be content to await the yearly, half-yearly or quarterly making up of accounts before receiving back the profits of the undertaking. This is one of the first principles that must be accepted if failure is to be avoided, and it is a principle which tends to increase the membership of stores more rapidly, for rebates should be given only to members, and this will soon induce non-members to join.

7. A second principle essential to success is that all transactions must be for cash and none for credit. Credit necessitates the payment of interest the diminution of the available capital for turnover and the keeping of unnecessary accounts, thus increasing management charges. It also means some bad debts. Further it often makes it necessary for the store to make its own purchases on credit, and purchases on credit are always more expensive than purchases for cash. Cash purchases also leave the society independent in its choice of dealers. It may go to any dealer with cash as it is seeking no favour. As a co-operative store in the beginning has not generally a very large capital, and as it should avoid borrowing capital from outsiders, it

must turn its capital over very rapidly. This cannot be done if credit is given.

8. The next principle which co-operative stores should adopt is to avoid borrowing from outsiders. Borrowing necessitates the payment of interest often at high rates, for the business of a store being uncertain the lender will insist on high rates. If a store has to borrow it should borrow from its own members by way of deposits. In order to provide sufficient finance for the business the rebates for some time might be paid to members in the form of additional share capital in their names or, if this is not favoured, members should be induced to keep their rebates with the store as deposits. Very little inducement is necessary to get members to leave their rebates as deposits with the store. If the co-operative store is successful the members do this spontaneously very often. It is a common practice in English and Irish stores and in the two biggest and best stores in Bengal, in which only cultivators are members, it was found that many of the members when informed of the amount of rebate due to them were immediately struck with the idea of saying and, instead of drawing the rebates expressed a desire to leave them in deposit against a rainy day. Deposits from members have great advantages over deposits from outside sources. They will for instance, be numerous, and it is unlikely that they will all be withdrawn at one time. Again if a member is withdrawing his deposits it will probably be to purchase necessaries and he will be willing to purchase them from the store. Whatever be the system adopted the principle of being financially independent should be considered as an essential principle to success.

9. The great success of co-operative stores in England is also largely due to two other facts. The goods sold are of the quality stated and there is no adulteration or cheating. Moreover the store gets for its members what the members want and does not try to force upon him what he does not want. A consequence of this last fact is that the member is always treated with civility and his tastes are consulted. Recently a cultivator, who is a member of one of the biggest stores in Bengal, was asked what he thought best in connection with the store and he replied: "There is no cheating about the quality or the quantity of the goods sold and I am treated with as much attention and civility in the store as any gentleman would be." It should hardly be necessary to ask the founders of co-operative stores to insist upon honest dealings but still this is a principle which must be laid down formally. Civility on the part of the staff to all customers and members is equally essential and all breaches of the rules in this respect should be severely dealt with.

10. The co-operative store should stock only the goods which its members require. This is so obvious that there would be no need to state it here if unfortunately there were not to be found in many stores in Bengal goods which will never be sold. A large stock of alarm-clocks, for instance, fast depreciating, may be seen on the shelves of a certain store with very small

capital and working largely on borrowed money. Some clocks have been sold at a good profit but the balance will probably be sold at a bigger loss and the money which bought them will be locked up for some considerable time. Goods which sell rapidly should be stocked and goods which are in greater demand at certain seasons of the year should be stocked in larger quantities at those seasons. If the store can do it on its own capital it should buy when goods are cheap, e.g., cereals at harvest time, but it is unwise to borrow money too freely from outsiders even for this purpose. Large quantities of goods should not be bought unless there is good storage and little likelihood of a fall in the price or of depreciation. The goods in a store should be insured against fire and theft if possible.

11. Stores should endeavour to buy in the best markets and at wholesale rates. Experience will teach where these markets are and some assistance may be derived from the information bureau in the Registrar's office. This bureau, twice a week, issues information as to Calcutta prices to all societies which desire such information. When there are sufficient stores in Bengal willing to float a wholesale in Calcutta or elsewhere and doing a sufficient turnover to warrant the flotation of such a wholesale there will be no difficulty in knowing where to buy.

12. There should be frequent stock taking in the co-operative store, the more frequent the better. Once a quarter at least the directors or a sub-committee of the directors should verify the stock.

13. The appointment of the paid staff of the store is of great importance. It is a safe rule to enforce from the beginning that no member of the staff should be related to a director. Such relationship invariably causes trouble. The staff should be competent and properly paid, and they should give ample security. They should be civil and courteous to all.

14. The accounts of a store are cumbersome and difficult, even when no credit is given. Full accounts and stock registers must, however, be kept. Otherwise failure is certain. A receipt in the form of a cash memorandum should be given to every customer for every purchase. The duplicate of this memorandum obtained by carbon tracing, should be kept in the store. Every such receipt should bear the stamp "Member" or "Non-member" according as the purchaser is a member or not, and members, who only should get rebates, should be instructed to retain these receipts and bring them in when rebates are being distributed. These instructions should be printed on the receipts.

15. The greatest essential to success, however, is the loyalty of the members to the store. No member should be dishonest towards the store or endeavour to take a wrong advantage of the store. Whoever does so should be expelled and his shares forfeited. More than this negative loyalty, however, is necessary. Active loyalty is essential. Members must help the store, especially in the beginning. Directors especially must give freely of their time to the store. All must resist the efforts which local shopkeepers

will undoubtedly make to injure a store which is showing signs of success. The time-honoured method of the shopkeeper to accomplish this is to make up his mind to forego his own profits or even sell at a loss for a while in order to tempt members away from the store and thus to undermine it, for, although the store may sell to outsiders, it must make most of its sales to members. When the shopkeeper has accomplished his designs and caused the store to put up its shutters he will have ample time to get his own back with interest. Members must then above all things stick by the store. If they have faith in their own undertaking they will do so, if they have not they had better leave the enterprise alone.

J. DONOVAN,

Registrar of Co-operative Societies, Bengal.

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Presidency College, Calcutta. **Asst. Editor:**
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- (3) Its business is entirely conducted under the supervision and control of the Registrar of Co-operative Societies, Bengal.
- (4) It invests its funds only in Co-operative Societies with unlimited liability. Fixed deposits received and interest allowed to the depositors who are residents of Pabna Sadar Sub-Division as follows:—

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6½% „ „ „ 3 „

7½% „ „ „ 4 „

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The Bengal, Bihar & Orissa Co-operative Journal

OCTOBER, 1922

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No. 2

NOTES AND NEWS

In our last number we made some remarks on the Report of the Committee on Co-operative Societies in the Central Provinces. Since then, in July last, there appeared a Resolution of the Government of the Central Provinces on the work of the Committee which is a material contribution to the study called forth by the co-operative crisis in that Province. Every committee or commission appointed under the stress of a critical situation works under the handicap of a psychological incubus and it is only with the passing of time that it is possible to distinguish the true and permanently valuable lessons to be derived from a crisis as distinguished from dicta based on the accidental accompaniments. Regarded from this point of view the Resolution naturally constitutes a great improvement on the Report. Thus the Report advocated the liquidation of the Provincial Bank; the Resolution on the other hand suggests its reorganisation and reconstitution on the basis of an equitable distribution of shares among all central banks and rural societies. The Registrar is to prepare fresh by-laws providing for representative local advisory boards and a central controlling board. A responsible manager with banking experience must be appointed and it must be part of his duties to inspect the offices and affairs of central

banks and advise their directors on banking matters. We must congratulate the Government of the Central Provinces on thus initiating a policy of improving their Provincial Bank rather than one of abolishing it. There is no denying that the Provincial Bank's procedure in discharge of its duties was unbusinesslike and that it allowed its working to be interlocked with and influenced by the Federation. But when all is said on the subject there is the undesirable necessity of having a Provincial Bank for rediscounting commercial paper and balancing the transactions of central banks. The arguments advanced in the Report to disprove the necessity of such banks are of an unconvincing nature though there was enough material afforded by the conduct of the particular Provincial Bank to raise doubts about the utility and efficiency of banks conducted on those lines.



The Report had recommended the cancelling of the Federation on the ground that the activities of the Federation had been misdirected. There are, no doubt, some grounds for this allegation; and yet we are glad to find that the Government of the Central Provinces has recommended its reorganisation so as to avoid inference with the finance of the movement, and restrict its activities to such useful forms as education propaganda and similar other objects on the lines of the Co-operative Institute in Bombay. The Local Government believes, with justice, that such a body should not be confined to credit societies alone, but should be representative of co-operative activities. Few would differ from the spirit of this recommendation and great care must be taken that Federation and Provincial Bank should never be interlocked. For some years Co-operation in the Central Provinces had been suffering from undue centralisation and a great many critics have raised their voices against this tendency which was leading to the confusion and interlocking of functions. At that time it was emphasised in this Journal that each function should possess its separate organ and while Central Banks and Provincial Banks should stick to their task of finance the Federation should confine itself to supervision and propaganda and should try to form the non-official opinion in the co-operative movement.

There are other directions in which the Resolution wisely and materially mitigates the rigour of the Report. The latter proposed that the Registrar be given the power of licensing paid Managers of Central Banks and to annul the election of any unsuitable office-bearer and to appoint paid or unpaid workers to manage the affairs of the bank. The Resolution however makes the exercise of such powers conditional on the existence of exceptional circumstances and hedges it round with suitable precautions. In fact, the Registrar is now debarred from taking such action except in cases of grave necessity when otherwise the conduct of the business is impossible and even then subject to the approval of the Local Government. As regards the penal sections recommended by the Report for insertion in the Co-operative Societies Act with a view to prevent the infringement of the by-laws the Local Government has decided not to accept the recommendation until such times as these sections are more fully appreciated and likely to be used by those for whose benefit their insertion was suggested. The Local Government also leaves to the Central Banks themselves whether they will accept or not the suggestion that their accounts and proceedings should be kept in English and in conventional forms so as to be open to inspections not only by the Registrar and his staff but by Chartered Accountants and Agents of such Commercial Banks as Central Banks may seek assistance from.



Quite a number of discussions at the Joint Conference of the Co-operative, Agriculture and Industries Departments of the Government, Bengal, held in last July are of a highly instructive and permanently valuable character. One of the noteworthy contributions was concerned with the financing of co-operative societies in general and with long and short term investments in particular. The propositions put forward as regards such financial discrimination and the recommendations which followed form an index of the intensive progress of our co-operative procedure and practice. The mixing up of long and short term loans in the same transactions and the want of any discrimination as regards

the periods of repayment or rates of interest as between the two kinds of loans has been rightly termed one of the weakest points in our system of co-operative finance. Such mixing up of the loans makes it difficult to see whether short term loans are being promptly returned and to see whether repayments are being made by the borrowers from the fulfilment of the purpose for which the loans are taken. The due observance of the distinction will render it possible to gauge the progress of co-operative societies and to judge accurately of the financial condition. The failure to repay punctually short term loans indicates that a society is wilfully defaulting—a thing now not always possible. The division of the two kinds of loans might also enable the co-operative movement to borrow more easily in the general money-market.



Undoubtedly the distinction carries with it the corollary that there should be a more exact book-keeping system with separate cash-books, ledgers, journals, etc., and it can well be urged that this will be a difficulty in the way of many societies. The Sub-Committee on the subject—presided over by an experienced and able officer like Mr. Donovan—was however of opinion that many societies will immediately appreciate the system and work it well; and that given time and education all societies will realise its merits and apply themselves to work it. It was difficult, for obvious reasons to secure unanimity as to how far higher rates should be charged according to the nature of the loans and their aspect as regards time. But valuable hints have been contributed which will help in tackling the problem. No aspect of the question, indeed, escaped a searching examination and even the correlation between short and long period deposits with similar loans came in for fruitful study. The general result was arrived at that the greatest caution should be exercised in using short term deposits to finance long term loans but in exceptional cases such deposits might be so utilised. We approve also entirely of the idea that a society should not undertake long term loan business until it had shown its capacity to deal with short term loan business.

We must welcome the proposal to convert the Agricultural Associations into institutions of a co-operative character. The original object that the Associations should help to introduce new improvement has been imperfectly attained because of several features in the constitution of these bodies which require modification. In the first place their organization was loose in character, they had no financial resources at their disposal and the members had no individual stake in the affairs managed by the Associations. We have already made progress on the older experiments by starting six co-operative agricultural associations in Punjab. The functions which such bodies can undertake are numerous and important. They might perform important work on the distributive side by purchasing seeds or agricultural machinery in bulk and retailing the articles to the members. They might also help in the production of pure seed of improved variety and in numerous other directions.



In these days when the industrial development of the country forms the general aspiration the study of the problem of financing industrial societies which was made at the joint Conference must prove of the highest interest. Many different possibilities of the bodies which can handle the problem of finance were discussed. The body to which industrial societies can normally and most suitably look up to for finance and guidance is undoubtedly the Industrial Union formed *ad hoc*. Bengal can already boast of possessing a number of such institutions situated at Bankura, Dacca and Krishnagar. But doubts have been expressed how far the Industrial Unions will be able to raise the necessary capital from the public. Moreover there might happen to exist in some districts only a limited number of scattered societies with no immediate prospect of expansion and consolidation and in such cases Central Banks might with advantage, though temporarily undertake the work of finance and guidance. As however, by themselves, Central Banks are not meant to work on these lines it was recommended as desirable that such Banks when financing societies should form a special sub-committee to undertake the task though at the same time

this sub-committee must not interfere directly. The Provincial Federation too might be expected to render financial assistance provided Government would guarantee its advances to a certain extent. Loans and guarantees from Government were advocated especially in those cases where the operations are of an experimental nature as well as for operations in new directions where presumably the advantage to the public from the success of the operations would be considerable. It is well that these qualifying conditions are put in to limit suitably the extent of financial assistance; and although we are not advocates of indiscriminate financial help from the State either to co-operation or to industries yet we cannot but approve of a recommendation so well guarded and conditioned.



In other countries co-operative irrigation has been an eminent success. In Belgium, Germany as well as in England and America it has been demonstrated by long experience that "in obtaining a water-supply for Irrigation co-operation has great advantages". Bengal already possesses many irrigation societies and an officer has been appointed to promote their development. The societies execute irrigation schemes of local utility, such as the building of dams across the rivers, the construction of channels and of minor irrigation works which are of supreme importance to a famine district like Bankura in which most of the societies are found. The demand for such societies has become stronger than ever in Bengal on account of a series of local failures of crops. There are various reasons why a co-operative agency for irrigation is superior to other instrumentalities. It has been felt by many that the provisions of Agricultural and Sanitary Improvements Act are too complex for being adopted and utilised generally. Again in the case of co-operative societies there is the less likelihood of civil suits arising since the by-laws of co-operative societies bind their members to accept the decision of the General Meeting on any point in dispute without resort to courts of law. Moreover there is another argument for preferring irrigation societies which are co-operative in their nature; while co-operative irrigation societies can be and are easily controlled by the

Registrar, the local bodies cannot in any similar fashion control societies composed of non-descript individuals.



We would invite the attention of practical co-operators to the rules which have been framed or proposed in Bankura and magnified for being placed before the Conference. The rules cover the whole range of the procedure of the society from its inception onwards. Schemes of the sort are not to be undertaken if there is a likelihood of discord between owners of land and tenants having rights of irrigation; nor should they be started without careful estimates of their cost formed by specialists and irrigation engineers. Though the basis of societies is to be one of unlimited liability yet for affording adequate security to creditors the liability is fixed at a certain multiple of the nominal value of shares held by a member. Where shares cannot be paid up at once provision is made for the utilisation of deposits and loans and for their being paid up. The cost of maintenance is to be met by levy of water rate. In a word the rules proposed before the joint Conference are laid down with no ordinary judgment and skill.



Owing to considerations of space we have to defer to the next issue a consideration of other interesting aspects of the work of the Joint Conference.

A BENGAL DISTRICT'S CHOICE BETWEEN LIFE AND DEATH

THE STORY AND ITS LESSON.

[*Being a public lecture delivered under the auspices of the B.C.O. Society by Mr. G. S. Dutt, I.C.S., Collector of Bankura, at a public meeting held at the Y. M. C. A. Hall on the 10th of July, 1922, under the presidency of the Hon'ble Nawab Syed Nawab Ali Chaudhuri, Khan Bahadur, C.I.E., Minister of Agriculture and Industries, Bengal.]*

In introducing the lecturer to the meeting, THE HON'BLE NAWAB SAID : -

When Rai Bahadur Abinash Chandra Banerjee, the energetic President of the Bengal Co-operative Organisation Society, did me the honour of asking me to preside over to-day's meeting I readily accepted his invitation, not merely because it is my duty as Minister in charge of the Co-operative Department to encourage voluntary associations for co-operative education, but also because I feel that every citizen of Bengal to the best of his ability ought to encourage associations of this kind. I also thought that this meeting would give me an opportunity to come in contact with the youngmen and college students of Bengal. The college student of to-day is the citizen of tomorrow and I am one of those who think that he should be encouraged to take an interest from his college days in those wider problems of life which will face him as soon as he leaves his college. There is no more important problem in the present day in Bengal than the problem of rural re-construction and the Bengal Co-operative Organisation Society is undoubtedly doing a public service of no mean magnitude by trying to spread the knowledge of one of the most efficient means by which the work of rural re-construction can be achieved.

It is now my pleasant task to introduce the lecturer of this evening, Mr. G. S. Dutt. Let me tell you at once that Mr. Dutt is an official, a bureaucrat, if you are fond of that appellation. Let me at the same time tell you that beneath his official waistcoat there lurks a democratic spirit as strong as that of the most ardent nationalist that you know of. He is one of those who loses no opportunity to utilize his official position towards the moral, social and material up-lift of the people. At the same time he does not believe that the improvement of the people can be effected by executive orders or by the action of Government unaided and unassisted by the efforts of the people themselves. His motto in all his work has been to assist the people to assist themselves or in other words to teach the people self-help and self-dependance. Those who like me have come in contact with his work know full well how he has kept this ideal always prominently in view. Only a few months ago I had occasion to visit the district of Bankura, of which he is now the Collector, to see the work that he is doing in the villages there and to encourage him and his co workers in their work and I have come back as an ardent admirer of his great ability, his organizing capacity and above all his willingness to devote his energies to the welfare of the people. Mr. Dutt has his faults and if faults they can be rightly called these are his feverish energy and his inability to recognize that others may not be fortunate enough to possess his energy. He is therefore apt to drive people very hard and sometimes almost to a breaking point. But these, you must admit, are faults leaning to virtue's side.

The subject matter of his discourse is :—A Bengal district's choice between life and death; the story and its lesson. The description of the subject borders on the sensational; none-the-less the description is most appropriate. The Bengal villages should now make their choice between life and death and the spirit of fatalism and inaction which is the prevailing feature of the life in Indian village must now give way to organized efforts and organization. The world is passing through an economic revolution of great magnitude. India is no longer isolated. It is a part of the greater world. It must move with the time or

else it will be crushed by the economic revolution and by the forces which it has brought into play. Mr. Dutt is in a better position to tell the story than any of us and to point out its moral. I therefore do not propose to stand between you and him any longer and I would now ask him to deliver his discourse. I may state that Mr. Dutt would be willing to answer any queries put to him at the conclusion of his address.

MR. G. S. DUTT SAID :—

The object of this discourse is, by citing the experience and example of a particular district in Bengal, to indicate a practical and effective solution of the rural problem in this province.

The Bengalees have been described as a “dying race” and the question has been asked “how dying”? Now, whatever may be the truth of this description on the one hand and the answer to this query on the other, there is, I believe, a general consensus of opinion that all is not well with rural Bengal where the great bulk of the nation dwells. The physical and economical condition of the population is far from satisfactory and the picture presented by rural Bengal is one of general poverty, stagnation and decay.

Taking the province as a whole the census figures show a serious decline in the birth rate. We have it on the high authority of the Minister of Public Health in Bengal as reported in the Press only the other day that but for malaria alone the population of Bengal might have been 12 millions more than it is now and that in some parts of Western and Central Bengal, incredible though it may appear, the deaths exceeded the births by nearly 200 per cent. The decrease of population in the last 10 years in the districts of Western and Central Bengal varied from nearly 6 per cent in the case of Burdwan to that of nearly 10½ per cent in the case of Bankura. Judging from the experience of the past decade, therefore, Western and Central Bengal are undoubtedly dying—at a rate which is sufficient to cause serious anxiety. And although in Eastern Bengal somewhat different physical conditions have to some extent hitherto averted this result, there was no knowing when these would be outweighed by the economic and moral factors which have been making for decay and death elsewhere.

I propose this afternoon by selecting a particular district and studying the conditions that prevail there to analyse the main causes of this decay and death and to attempt to indicate a remedy.

I shall choose the district of Bankura for the purpose of this study for three reasons. In the first case, because I can in my capacity as District Officer of that district for the last 9 months speak from direct personal knowledge of the conditions that prevail there. Secondly, because Bankura appears to me for our purpose a peculiarly appropriate district for study; for here the problem of rural Bengal is presented in a clear and simplified form, beyond the possibility of dispute or doubt. Not only are the symptoms of death and decay here present in an aggravated and unmistakable form, but the causes of the malady are equally clear and unmistakable, there being no complications due to accidental causes which, elsewhere in Bengal, might render it difficult to arrive at a true diagnosis. And thirdly, I have chosen Bankura because the lessons to be derived from our analysis have here been already taken to heart and are being put into practical application and can therefore be with confidence recommended to other parts of the country.

Bankura, as you all know, has come to be almost synonymous with chronic disease, chronic poverty and periodic famine.

Exactly when the chapter of famines in Bankura began, it is not possible to say with certainty. It would appear to have begun with the Mahratta raids in the middle of the eighteenth century which completely devastated the country and culminated in a terrible famine in 1770. Since then this unfortunate district has been visited by famine in 1866, 1874, 1885, 1897, 1915-16 and 1919. In spite of these famines however, census figures from 1881 to 1911 show that the population went on increasing; but now poverty, famine and disease have at last exhausted the reserve strength of the people; and during the last decade two severe famines occurred which have wrought such havoc that the whole increase of population slowly built up during the last 50 years has been completely wiped out and in point of population therefore, the district has been thrown back to the conditions prevailing prior to the year 1881. The last census

revealed the alarming fact that during the last 10 years the population of the district had decreased by no less than one lakh and nineteen thousand ! Nor is this all. For the surviving population is almost hopelessly in the grip of poverty and disease.

Let us now examine briefly the factors which have combined to bring about this result.

First then as to disease in Bankura. Here we have all the ailments of Bengal well represented, with Malaria, as usual, taking the lead. The causation of disease in Bankura may be divided under two factors, viz., those related to economic causes and those related to sanitation. The economic factors are repeated famines and the consequent lack of nourishment which have seriously undermined the strength and resisting power of the people to disease. On these I shall dwell presently in detail. Coming now, however, to the factors relating to sanitation we find that disease in Bankura is in a great measure the creation of the people themselves. From its natural configuration and physical characteristics Bankura should be the sanitarium of Bengal. The country, for the most part, is elevated, undulating and easily drained. There is here no possibility of natural water logging, no natural marshes which might serve as breeding grounds of anopheles, no rivers choked and silted up owing to tidal action. Nor is here surface drainage interfered with over any extensive area by railway embankments; for not only is the railway a stranger to the greater part of the district, but whatever railways there are mostly run on high level ground and even where they run on embankments the undulating nature of the country renders the discharge of the drainage a comparatively easy matter. Thus disease here is due not so much to any causes natural or artificial, beyond the control of the people of the district, as to the unwholesome and unhealthy conditions created by the people themselves. Wherever in this beautiful tract of country people have congregated into villages and townships they have converted these villages and townships into veritable cess-pools with dirty tanks overgrown with weeds and overhanging with jungle which they pollute with their own excreta, the filthy water of which they drink and the foul gases emanating from which they breathe from day to day and year to year.

This is done not only by the illiterate and ignorant masses but even by the educated classes who should know better but who lack the inclination to follow the simple laws of health and sanitation themselves, far less to induce their fellow villagers to do so.

And here we come to the two bedrock factors which bar rural progress not only in Bankura but in rural Bengal, nay rural India in general. These are, on the one hand, the spirit of fatalism permeating the entire rural community; and on the other, the total breakdown of the spirit of combination for the common good. Educated men will cheerfully drink the water of the tanks on the banks of which they, in common with others daily commit unspeakable nuisance, under the pseudo-religious belief that Fate will save them from death before their appointed time or that *pūja* and prayer in temple and mosque alone will serve to avert or cure an attack of cholera. The failure, even on the part of the educated, to realize that as in the moral so in the physical sphere the truest and most effective religion consists in the observance of those great natural laws— including the laws of health and physical well-being—which God has ordained shall govern life on this planet, is truly pathetic. Whether this fatalism springs from the same wrong philosophy of life which lays greater stress on ceremonial than on physical cleanliness, it would be out of place here to discuss. Combined with this national evil of an excessive reliance on Fate in the every day affairs of life in the sphere of health, sanitation and personal hygiene is the equally pernicious spirit of dissension and party faction which dominates the villages. A village with 3 or 4 factions is the normal phenomenon, but I have often come across villages with no less than ten or twelve contending factions, the object of each faction being to obstruct by every possible means, foul or fair, every measure, however good, attempted by any of the others. There has been a complete breakdown of the spirit of association which is said to have existed in the old Indian village community, and the result is a total lack of the spirit as well as the capacity on the part of the villagers to act for the common good. Thus, in a naturally salubrious district the village tanks have been allowed to be silted up into shallow pools overgrown with weeds and choking with the village rubbish and

converted into nurseries into which the anopheles have been invited to breed.

Gentlemen, in the course of my wanderings in Asia and Europe—in Japan and England and France—during the last two years, the condition of my country was forcibly brought up before my mind at almost every step and I often asked myself what was the most striking difference between these races and our own to-day; and the conclusion that forced itself on me was that it lay in these two characteristics of helpless fatalism and this wanton and suicidal strife between man and man and between faction and faction.

Having analysed the general causes of the prevalence of disease and insanitation in Bankura we now come to analyse those of poverty and famine. We shall find that underlying them also are the same two great national factors which we have found to underlie the causation of disease and insanitation, namely, first, an excessive and blind reliance on fate; and secondly, a spirit of dissension and disunion permeating the villages or, in other words, a lack of the spirit and the capacity to unite for the common good.

The causation of poverty in Bankura is four-fold :—namely. (1) litigation; (2) absence of organisation; (3) false economy; and (4) drought and crop failures. First, then as to litigation; and I believe I shall not be contradicted when I say that poverty in Bankura, as elsewhere in India generally, is in a great measure due to the spirit and practice of litigation which have, for generations past, been rampant throughout the countryside. To those who have any personal knowledge of rural conditions, it is not necessary to adduce arguments to prove that in Bankura, as elsewhere in Bengal and in India, the law courts have unfortunately come to be the temples of the nation at the altars of which it offers up all its available and unavailable resources,—past, present and future,— actual and prospective. Not a village in the country but can point to its score of families ruined by litigation; not a family almost but has fought or is fighting or is instigating others to fight a lawsuit or a case of some kind or other in the Courts! Two penniless families quarrel over a wretched tree

worth, say, Rs. 5/- standing on their mutual boundary and they forthwith madly rush to the Courts, Civil or Criminal, 50 miles away and will not rest content until they have satisfied their morbid *zid* against each other by running through the complete gamut of original and appellate Courts, mortgaging and selling their little all in the process and accepting for themselves and for their unhappy progeny the relentless setters of the village *muhajan*. It will hardly be an exaggeration to say that a Bengali villager takes more pride in fighting a case up to the High Court and the Privy Council to his own and his opponents undoing than a Marshal Foch over the undoings of the Germans! Some of you will hardly believe it but in the last district of which I was in charge I knew of an old woman, nearly 70 years old, without any heir or relative to enjoy her possessions after her death, who had been fighting a long series of lawsuits in the Civil Court and having lost them would come to me almost monthly with the bundle of legal judgments under her arm, walking 10 miles from her village to the nearest railway station, and with an equally large bundle of complaints against the relatives whom the law courts had found to be the rightful owners of what she claimed to be her property. All my efforts as well as those of my officers and of the President of the Panchayet, nay, even of her pleader, to induce her to settle the matter amicably, were of no avail. She was determined to file an appeal under the settled belief that there was a magic in the litigation and the law courts which would not only restore her earthly possessions, but would also be good for her soul! Gentlemen, I believe nowhere among the civilized and uncivilized nations of the earth is there to be found the parallel of this enthronement of the law Courts into the nation's temples, physically and spiritually, and this maniacal spirit of suicide in the form of litigation prevailing in this unhappy land.

Secondly : Absence of organisation is one of the most important causes of poverty not only in Bankura but in rural India in general. The rural population represents a multitude of disunited individuals in competition against the industrial organisations of the world. The villagers no longer enjoy their old sheltered economic position. Themselves utterly unorganised, the rural population has been drawn into the whirlpool

of world competition. The result is that the rural producers and consumers alike are at a hopeless disadvantage. As producers they have to sell their produce at the cheapest market and as consumers they have to buy at the dearest market. The inevitable consequence is a general impoverishment of all sections of the rural population—agriculturists, labourers, weavers, cobblers and artisans.

Prices may rise or fall but it is not the small rural producer artisan or consumer but the middleman who benefits by such rise and fall. The only course which can save the villagers of all classes from this unequal struggle is co-operative organisation for production and marketing on the one hand, and co-operative organisation for distribution on the other, among all sections of the rural population and the elimination of the usurer and the middlemen.

Thirdly, poverty in Bankura has sprung in part from false economy. The District abounds in forests situated on the high lands which are not suited for the cultivation of paddy. These forests abound in *sal*, *palash*, *kusum* and other trees. With a judicious system of forest management these trees would not only serve as valuable sources of timber, but many of them are specially suited for the cultivation of *tussore* and lac. The *tussore* and lac industries in the district, which are capable of great expansion, have however been left to the Santhals and Bauris and other illiterate classes while the members of the educated families either flock to clerkships or depend on the meagre rent of their lands or remain as hangers-on on the scanty earnings of their joint families; while a reckless process of deforestation is being carried on by which these trees, which would have served as valuable natural resources for profitable industries like lac and *tussore* have been cut down and high lands unsuitable for the paddy crops have been brought under paddy cultivation.

The average minimum annual yield of a plum or *palash* tree used for lac cultivation would be Rs. 6/-. Thus by cultivating lac on a small plot of land on the high ground with 100 such trees one would be earning more every month than an ordinary graduate to whom, however, a clerkship of Rs. 30/- a month makes a more attractive appeal.

It is necessary that forestry which is an important branch of agriculture in other countries should also be applied in India for the improvement of agriculture and that an organised movement should be started for afforestation and for a more intelligent management of privately owned forests.

I may mention here that an attempt is now being made by the District Agricultural and Welfare Association of Bankura to bring this aspect of economic life prominently before the public of the district so as to encourage the utilization and culture of such trees for lucrative agricultural industries in place of the unprofitable and uneconomic attempt to utilise high lands for paddy. It will also prevent the continuance of the process of indiscriminate deforestation with its harmful effect on agriculture by causing rapid soil erosion and the lowering of the sub-soil water-level and possibly also by prejudicially affecting the rainfall.

Fourthly, the most obvious and immediate cause of poverty and famine in Bankura is the periodical failure of crops owing to the uncertain distribution of the annual rainfall and the inadequacy of facilities for irrigation. The Bankura famines may almost without exception be ascribed to the failure of the winter paddy crop to reach maturity owing to the failure of the September and October rain. The normal annual rainfall of the district is about 55 inches, a quantity which although very small as compared with some other parts of the country, would be sufficient for the needs of the crops if the distribution of the rainfall were favourable. As it is, however, the distribution is extremely variable and very frequently there is a superfluity of rain during the early monsoon followed by a drought in autumn when the ripening paddy is in sore need of moisture. For want of this much needed moisture in the ripening season the paddy crop fails over large tracts and the result is famine with all the distress which it brings in its train. At each famine Government and the public have come forward with generous help and very large sums have had to be spent on gratuitous relief and relief works, the amount spent by Government from public funds on these two heads and on the establishment in the last two famines alone being no less than fourteen lakhs of rupees.

The whole problem of crop failure and famine in Bankura could therefore be solved if the superfluity of rainfall of the early monsoon, which, rushing down the fields and forests of the district, is carried away by the rivers into the sea, could be conserved for use in the dry season. Such conservation would not only protect the paddy crop but would also make it possible to grow the more valuable *rabi* crops which is at present impossible in the district for want of irrigation facilities.

And this brings us to the sad and almost romantic story of the irrigation tanks and *bandhs* of Bankura and the other districts of Western Bengal. The story of rural decay in Western Bengal is intimately bound up with the story of the decay of its irrigation tanks and *bandhs*. Visit any district in Western Bengal and you will be impressed with the wisdom with which, to counteract the vagaries of the rainfall and to conserve every precious drop of water falling from the sky or trickling down the soil, a past generation of benevolent landlords had provided the districts with a net-work of reservoirs for the storage of the water of the monsoon rain and of the sub-soil drainage. For the benefit of those who are strangers to Western Bengal it might be explained here that an irrigation *bandh* is a reservoir constructed by throwing up an embankment in sloping ground for the catchment of water flowing down from the higher levels. In the undulating country of Western Bengal this serves as an easy, inexpensive and effective method of storage of water for the purpose of irrigation and drinking. Nowhere was the system of irrigation tanks and *bandhs* constructed with such systematic thoroughness and far-seeing wisdom as was done in Bankura and the other parts of Western Bengal covered by the old land of Mallabhum by its old benevolent landlords and by the Rajas of Vishnupur who ruled over it. Nowhere again has the narrow selfishness, folly and suicidal blindness of subsequent generations conspired to bring this elaborate system of tanks and *bandhs* on which the health, prosperity and the very life of the population depends, into such utter decay and destruction. Up on the heights of the ridges and in rows and tiers along the slopes of the undulating ground, in and around the village sites and out among the fields, these tanks and *bandhs* were constructed with

a thoroughness and an almost scientific precision which even in their present ruined and mutilated condition excites the admiration and wonder of the beholder. Some were almost as large as lakes, each irrigating several thousand bighas of land, which they rendered immune from drought throughout the year, while others, though smaller and of a more modest description, were equally effective in serving the land for the protection of which they were designed. The larger *bandhs* were supplied with inlet channels for the reception of the water of their catchment areas and with an elaborate and carefully worked out system of distributaries for serving the water to the lands protected by them. These tanks and *bandhs* not only supplied water to the field but furnished a sure and adequate supply of drinking water to men and cattle.

Subsequent generations have proved themselves false to this rich heritage bequeathed for their health and agricultural prosperity. Year after year and decade after decade these precious reservoirs have been allowed to become silted up and converted into dry land and half dry pools of stagnant dirty fluid; their embankments have been allowed to fall into decay; while the villagers, whose crops died year after year for want of the water which should have accumulated in these reservoirs, indulged in foolish litigation and petty party squabbles and blamed Fate and the weather on the one hand, and, on the other, the absentee landlords, the numerous intermediate landlords who had by this time come into being, as well as the immediate landlords, none of whom thought it their duty to resuscitate the springs which fed the lands from which, and which sustained the life of the tenants from whom, they drew their annual rental in their village *kutcheries* and in the Courts of law. In many cases the ownership of the tanks had become subdivided among numerous co-sharer landlords and the ownership of the lands had passed to others than the owners of the tanks although the holder of the lands continued to possess irrigation right in the tanks. The tenants interested in irrigation were, however, as apathetic towards the condition of the sources of irrigation as the co-sharer landlords who owned them. Worse than this passive neglect, landlords and tenants alike have encouraged the foolish process

of converting the silted-up tanks and silted-up portions of large *bandhs* into paddy fields, a short-sighted policy which, for the meagre benefit of securing a fragmentary increase of area in the cultivated land, barters away the source which supplied the land itself with its very life blood. As a result Bankura to-day is a district of dead tanks, of tanks and large *bandhs* which have either completely vanished out of recognition or of which only a fragment of an embankment here and there remains to indicate the evidence of their previous existence, or of their shrunk and mutilated remains in the form of shallow silted up pools of water. The rivers in Bankura, while of a torrential nature during the rains, are dry during the remainder of the year, so that on these shrunk and shallow remains of the old reservoirs depend alike the fields as well men and cattle of the district for irrigation and drinking. From them the men, women and children draw their supplies of drinking water and, while so doing, pollute them and their banks with their excreta; in them they bathe themselves and wash their cattle as well as their clothes and utensils; and into them they throw the rubbish of their villages. When in the dry spells of the harvest season these pools are drained of almost every drop of water in them to meet the demands of the thirsty fields, there is nothing left but liquid mud to quench the thirst of men and the cattle.

Is it to be wondered at that where conditions such as these prevail, famines and crop failures should be an almost yearly occurrence and that men should die in hundreds of hunger and disease? For, there can be no doubt that disease in Bankura, which was one of the most salubrious tracts of the country is due primarily to lack of water and to the use of dirty water. That malaria is a hunger disease and that it prevails in tracts where successive crop failures due to insufficiency of water have reduced the resisting power of the population is a fact which to-day, on the opinion of the highest experts, is beyond the possibility of dispute; but what is more is that Dr. Muir of the Calcutta School of Tropical Medicine, while lecturing in Bankura during the last Health and Welfare Exhibition, expressed the opinion that the alarming prevalence and spread of the dreadful scourge of leprosy in that district is ascribable

to the shrinkage of the sources of water supply with the resulting absence of facilities for frequent washing and bathing. · The unwashed finger nails retain the infection and convey it to the irritated skin where, unwashed, it lingers until it finds a chance of entering the body.

Thus, surprising as it may seem, comes the irresistible conclusion that in the district of Bankura famine and poverty, disease and crop failure, malaria and leprosy are all alike the direct consequences of the neglect, apathy and inaction which has allowed the old tanks and *bandhs* of the district, numbering 30,000 to 40,000 on a moderate calculation, to fall into disrepair and decay.

It never appears to have struck the tenants and villagers interested in irrigation from these tanks and *bandhs*, engrossed as they were in litigation, jealousy and factious quarrels, that they could, by combination, re-excavate and resuscitate these important sources of water-supply, alike for irrigation and drinking purposes, at a very small cost to each and even without pecuniary help from the zamindar or the Government. As a typical instance mention may be made here of a *bandh* which is now under re-excavation. This *bandh* originally irrigated 1,000 bighas of land but, owing to the banks having been damaged, the capacity of the reservoir was seriously reduced, with the result that the paddy of about 100 bighas of land originally irrigated from it was lost every year for want of irrigation. Taking Rs. 10 per bigha to be the price of the paddy, this represents the loss of Rs. 4,000/- every year to the tenants through a long series of years. Surprising as it may appear, it has been found that this loss may be prevented by an expenditure of Rs. 500/- only in reconstructing the embankments of the *bandh*. In another case an expenditure of Rs. 200/- only in repairing and restoring the channel which feeds a *bandh* would protect the crops of 1,000 bighas of land which at present yearly die from drought and in return, therefore, from an expenditure of Rs. 200/- only, there would be a gain of Rs. 5,000/- in the shape of crops every year. Instances equally striking could be multiplied. A large *bandh* or tank might cost Rs. 12,000/- to re-excavate and a small one might entail an expenditure of Rs. 300/- only, but the

annual return in the shape of the crops saved, would be equally striking in proportion. It is thus clear that in comparison with the benefits received the expenditure is almost negligible and the tenants had only to combine together to prevent an enormous loss year after year by incurring a nominal cost to each. A spirit of co-operation however was absent in the villages and nothing was done.

In addition to these old tanks and *bandhs* the district is also traversed by a number of streams, some of which are quite dry during the greater part of the year, but others, which are fed by springs of sub-soil water-bearing strata, maintain a small trickling stream of water throughout the year. It has long been realised by the cultivators that by erecting *bunds* across these perennial streams water could be conserved in abundance for purposes of irrigation. The cultivators have accordingly been in the habit of erecting *kutcha bunds* at various places across the smaller streams. These used to give temporary relief at the transplanting stage, but in almost every case the *kutcha bunds* were unable to withstand the rush of water of the stream and were wasted away every year. Thus not only was it found impossible to conserve the water till the autumn, but the *kutcha bunds* had to be re-erected every year at considerable expense, and even this was not possible in many cases owing to the prevalence of party jealousies among the tenants interested. Nowhere did the people combine in an organised manner to solve the irrigation problem permanently in any area.

With the single exception of an irrigation society at Khelar in the district of Midnapore organised in 1916 which, however, did not lead to any further movement in this direction, the beginnings of organised effort for the solution of the irrigation problem in Bengal date from the middle of the year 1919. In April 1919, the speaker had the honour of being associated with a movement started by the Agricultural Association in the district of Birbhum for the re-excavation of irrigation tanks and *bandhs* in that district through the agency of the Branch Agricultural Associations. This movement has achieved considerable success there and I have it on the authority of Rai Bahadur A. C. Bauerjee, M. L. C., Secretary of the Birbhum District Agricul-

tural Association, and now President of the Bengal Co-operative Organisation Society, who did me the honour of naming after my humble self the first irrigation tank re-excavated in that district with co-operative effort, that since 1919 the Birbhum Village Agricultural Associations have, under his energetic guidance, re-excavated a large number of irrigation tanks at an aggregate cost of over two lakhs of rupees. This movement was given wide publicity throughout the division by the then Commissioner, Mr. J. N. Gupta and I do not therefore wonder that Babu P. C. Ghose, who was then the Sub-Divisional Officer of Vishnupur in the District of Bankura and Babu Suresh Chandra Ganguly, the Inspector of Co-operative Societies posted in that Sub-division, were influenced by it. From the account given by them it is interesting to note that the idea of the re-excavation of irrigation tanks and *bandhs* by the tenants themselves by rateable contributions in proportion to their lands was suggested by the example of the Birbhum Associations. Babu Prafulla Chandra Ghose began to start many Agricultural Associations on the Birbhum line, and published a printed account of the work done by the Branch Agricultural Associations in that district, and at the same time interested himself in the solution of the irrigation problem by the tenants themselves as was being done there without reference to the zamindars. In this he was readily helped by Babu Suresh Chandra Ganguly, the Co-operative Inspector. They proceeded to organise the cultivators under the Co-operative Societies Act and the result was the formation in 1920 of 3 Irrigation Societies in the Vishnupur Sub-Division. Three more societies were formed in the course of the year 1921.

The possibilities of the formation of two or three other societies on the above lines were also being considered. The Registrar of Co-operative Societies had given an encouragement to the movement by holding out the offer of a Government loan of Rs. 30,000/- to the Salbandh Irrigation Society. The establishment of a Central Bank at Vishnupur also facilitated the financing of such societies, but no further progress was made in the organisation of irrigation societies.

This was the state of things at the beginning of the last cold weather. Six irrigation societies on co-operative lines, one of

them a large society, were successfully organised by the Sub-Divisional Officer and the Co-operative Inspector during 1920 and 1921, but the public generally were ignorant of them and were thus unable to realize the possibilities of advance along the line thus indicated. Impressed by the enormous possibilities of this movement, I considered it my duty to start during the last cold weather an organised propaganda to induce the cultivators throughout the district to form themselves into irrigation societies for the re-excavation of tanks and *bandhs* and the utilization of natural streams by the erection of masonry dams across them. As a part of this propaganda a Health and Welfare Exhibition was held in February last at Bankura at which an attempt was made by means of graphic charts and otherwise to bring out as vividly as possible before the public the danger of depopulation and ruin that was threatening the district. The grim fact that the time had come when the district had to make a final choice between life and death, between apathy and inaction and dissension and disunion on the one hand and co-operation and combination and active constructive work of economic and sanitary improvement on the other, was pointed out to the people of the district and the result has been most gratifying. At a conference held during the Exhibition a District Improvement Association was formed with the leading men of the district as members and the Collector as President.

This association, which has since been amalgamated with the District Agricultural and Welfare Association, has taken up an active programme of work the broad lines of which are; first, the organisation throughout the district of co-operative irrigation societies for the complete solution of the irrigation problem in the district within the next few years and the effectual prevention of famines in the district in future; and secondly, the organisation in every village of a Village Agricultural and Welfare Association for the promotion of unity and co-operation, for the improvement of agriculture and cottage industries through joint action and for the sanitary improvement of the villages and the education of the village people in the elementary rules of health and hygiene through propaganda work. Members of the non-official public, pleaders, muktears, landlords and others have

responded enthusiastically and as members and Secretaries of the District and Village Agricultural and Welfare Associations and as Honorary Organisers are doing the work of propaganda and organisation. Revival of agriculture is being attempted in all its branches in co-operation with the Department of Agriculture and its local officers, and the health propaganda is being carried on in the villages with the co-operation of the District Health Officer and the Director of Public Health. The Honorary Secretary of the Bengal Social Service League has also promised to lend his active assistance. An attempt is being made to organise a net-work of social service centres in the district for health and welfare work and for the improvement of agriculture and the cottage industries. On the solution of the irrigation problem the Association has been specially devoting its energies. Frequent conferences have been held at which the lines of work have been agreed upon, model bye-laws have been framed, difficulties discussed in the light of practical work done in the villages and their solutions agreed upon in the light of the advice of the officers of the Co-operative Department. Pamphlets and leaflets have been issued for the guidance of the public and Honorary workers.

As the result of the vigorous propaganda work carried out by the Association during the last four months there is to-day a widespread public movement in the district for the formation of co-operative irrigation societies. The Association has appointed and maintained a staff of Surveyors for helping in making surveys and drawing up plans and estimates and a staff of Supervisors for assistance in the work of organisation. For the financing of these societies a Co-operative Irrigation Bank has been established at Bankura with a share capital of 5 lakhs of rupees and the people of the district are being invited to come forward to the assistance of the movement by taking shares in it. The capital of the Bank will be further increased as need arises. The District Board has been induced to lend the services of its District Engineer for the work of drawing up estimates and plans for the major schemes and to sanction a grant to the Association to enable it to carry on its work of propaganda and organisation. The Sub-Divisional Officers Babu Krishnagopal Ghosh and Babu

Sukumar Chatterji and the Circle Officers have been freely and ungrudgingly lending their active assistance and encouragement to the movement and the Registrar of Co-operative Societies and the Government have at the instance of this Association provided an additional Co-operative Inspector and three Supervisors and have sanctioned the appointment of four Honorary Organisers for speeding up the work of formation of societies. The Co-operative Inspectors have been working devotedly and their services have proved invaluable.

Irrigation societies fall under two classes, which may be described as societies for new construction and societies for reconstruction and re-excavation. Under the former class fall societies for the construction of dams across the rivers and streams. These are generally large schemes which provide for the irrigation of 500 to 5,000 bighas of land or more and each entailing an outlay of from Rs. 5,000/- to Rs. 40,000/- or more. A society of this class may consist of representatives of 500 or 600 families belonging to 20 or 30 villages. We have now several societies of this class in course of organisation dealing with schemes costing Rs. 10,000/- to Rs. 20,000/- or more. The Salbandh Society which has undertaken the erection of a masonry dam across a stream at a cost of Rs. 40,000/- for irrigating 5000 bighas of land has raised Rs. 10,000/- from its members and the Government is lending the remaining sum of Rs. 30,000 to be repaid in four annual instalments. Of this Rs. 20,000/- has already been advanced to the Society and the work of constructing the masonry weir has started. The Hon'ble Nawab Syed Nawab Ali Chaudhuri, Minister in charge of Agriculture and Industries, has given great encouragement to the Society and the whole movement by visiting several of the irrigation societies, by laying the foundation stone of the masonry weir of the Salbandh Society in April last and by publicly declaring his hearty approval of the movement inaugurated and the method adopted by the Bankura District Improvement Association for solving the irrigation problem of the district. We have also received much encouragement from Mr. K. C. De, Commissioner of the Burdwan Division, who has visited several of the societies.

Under the latter class fall societies for the excavation of irrigation tanks and *bandhs*. A scheme of this class may cost from Rs. 300/- to as much as Rs. 10,000/- or more and may in the case of smaller schemes consist of 15 or 20 families belonging to a single village or in the case of larger schemes of 200 or 300 families belonging to 7 or 8 villages. Numerous societies of this class are in course of organisation now.

To illustrate the method of organisation and work of a society let us take the case of a society of a medium size for the re-excavation of an irrigation tank. The project is estimated to cost, say, Rs. 1,000/- and to irrigate 200 bighas of land. A society is therefore formed with a capital of Rs. 7/- per bigha thus making Rs. 1,400/- for 200 bighas. Of this Rs. 1,000/- will be the actual expense of the re-excavation, Rs. 200/- is provided for unforeseen expenditure and Rs. 200/- for interest on borrowed capital. The members show their earnestness by at once paying up Re. 1/- per bigha (or more or less as the case may be) as the first instalment of share and start the work of re-excavation with the Rs. 200/- thus realized. They then apply for the registration of the society and take a loan of the remaining sum of Rs. 800 required for the work of excavation from the Co-operative Irrigation Bank and repay it in 5 years with interest, at the rate of Re. 1/- per bigha each year. With the amount borrowed from the Central Bank the re-excavation is finished in the very first year so that from the end of the first year of the society's existence the full benefit of the re-excavation and the consequently increased facilities for irrigation are realised; the productive power of the land goes up and the whole amount expended in the work of re-excavation is generally repaid in the shape of increased outturn of the crop in the very first year. To guard against the silting up of the tank or *bandh* a permanent fund is created by raising a contribution of a few annas a bigha per year from each member for the work of annual or periodical silt clearing and repair. Not only is the productive power of the land increased by the provision of an adequate supply of water for irrigation but the fishery in the tank furnishes an important additional source of income. Where the fishery right does not belong to the members of the society the society takes

lease of such right wherever practicable but the legal rights of the zamindar to the ownership of the tank where the tank does not belong to the members of the society are not disturbed. Sometimes a society raises the entire capital required from its members and therefore has no need to borrow from outside. In some cases a well-to-do villager or *mahajan* is induced to lend the capital required at easy rates of interest. But in most cases a portion of the capital is borrowed from the Central Irrigation Bank.

Throughout the District, cultivators who had until only a few months ago despaired of the possibility of the old irrigation tanks and *bandhs* ever being repaired and re-excavated and of all prospects of their land being again protected from drought have been so impressed by the ease and facility of effecting these great ends through the formation of irrigation societies that the response received for the formation of such societies and the progress achieved in their organisation during the last five months have been most remarkable. We have now over a hundred irrigation societies in course of formation for the execution of irrigation works entailing an expenditure of over 3 lakhs of rupees. Nearly 50 of these societies have already been organised and are actually working and the remainder are in various stages of organisation. If we had more organisers and honorary workers on the one hand and on the other a few more Co-operative Inspectors and an adequate engineering staff for drawing up plans and estimates for the larger schemes, the progress achieved during the last five months could have been multiplied several times more. For the complete solution of the famine problem in the district in the course of say 5 or 6 years it is obviously necessary that the progress will have to be so multiplied many times more in order that the entire number of 30,000 irrigation tanks in the district may be restored to their original condition and that all the streams running through the district may be fully utilised for the conservation of water. The rate of progress that can be attained is limited by nothing but the organising staff, official and non-official, available for the purpose, the staff for drawing up plans and estimates for the larger schemes and the financing resources available from the Central Bank and Government. We have already requested the Co-operative Inspectors and

supply us with a larger staff of Co-operative Inspectors and Government are, I believe, already so favourably disposed towards the sanction of an Engineer for preparation of projects that we hope soon to have the services of a competent whole-time Engineer for this purpose. We are confident that Government will also help the societies with loan if the resources of the Irrigation Bank can not keep pace with the formation of the societies. With the necessary staff thus sanctioned and with an adequate number of Honorary workers from among the public of the district to formulate schemes, to bring the villagers together and to organise such societies in the shortest possible time, it may be confidently hoped that the acute problems of crop failures and famines and consequently also of poverty and disease will be completely solved in the course of a few years.

Already the effect wrought by this co-operation has been almost magical. It would not be an exaggeration to say that the whole outlook before the people of the district has been altered in the short space of 5 months. Wherever an irrigation society has been formed, disunion has given place to close and active co-operation; fatalism, blank despair, and inaction to activity and the spirit of a new life.

But to carry this message of hope, this promise of the new life into every village, every hamlet and every home and to reconstruct rural life in terms of this new harmony and synthesis the services are needed of an ever increasing band of eager and willing honorary workers from every rank of the public. In response to my appeal for such band of workers the pleaders and muktars of Bankura assembled in conference resolved in a body to organise themselves into batches of voluntary workers for the work of propaganda and organisation for the formation of irrigation societies and Village Agricultural and Welfare Associations. If they carry out this patriotic resolution, as I hope they will, and if following their example, ardent selfless workers from other ranks of public life flock to this beneficent work in ever-increasing numbers, who can doubt that not only will the water famine and food famine soon disappear from Bankura, but that the habit of co-operation required for the vital needs of irrigation will soon spread to the other departments of life and will before

long transform this dying district into a smiling abode of prosperous humanity?

To give you a concrete instance of what co-operative irrigation can achieve in the domain of rural progress in the life of an agricultural community, let me cite here the story of the wonders wrought by co-operative irrigation in America. Harold Powell, writing on Co-operation in Agriculture, remarks on the striking fact that in the United States of America in 1919, of the total area of irrigated land, *viz.*, nearly 14 million acres, no less than one-third was under co-operative enterprises and he goes on to observe : "I believe it is safe to say that in no other industry in the United States is there so large a percentage of co-operation" as in irrigation. It is an interesting feature of co-operative irrigation in America full of rich significance to the people of the arid regions of Western Bengal and other parts of India that co-operative irrigation in America had its origin in the development of the arid wastes of the county of Utah which were more devoid of water than are the plateaus of Western Bengal or Behar to-day. The Mormon colonists who were driven by necessity to settle in this dry region were compelled for their very existence to resort to co-operative methods for the irrigation of their lands by the erection of dams across the streams such as is being attempted in Bankura by the co-operative Irrigation Societies to-day. Samuel Fortier, in describing the development of the early history of Utah, says. "These pioneers had little money of their own and could not obtain financial assistance from people outside of the State. Necessity, therefore, compelled them to join hands in undertakings of this kind which were too large for the individual or a partnership of individuals to construct. It may be said that co-operation is the keystone of the development of Utah. The success which attended this form of organisation in the building of irrigation ditches and the utilisation of water from streams spread to other industries. This is shown in the co-operative creameries, co-operative canneries and co-operative stores that abound in the State.

"From Utah as a centre this form of organisation spread to other States. One finds, for example, pretty much the same type of irrigation enterprise in Montana, California, Wyoming,

Nevada and other States. In Colorado the capitalistic canal was quite popular at one time, but many of these enterprises have been re-organised as Co-operative companies."

In describing the results of these Irrigation Institutions in America, Elwood Mead, another American authority, says "In California many of the cities are as truly the products of irrigation as the orchards which surround them. This can be said of Los Angeles, Riverside, Redlands, Pasadena and Fresno. The beginnings of Utah were wholly agricultural and without the irrigated farms the cities of that interior commonwealth would as yet be only dreams. In less striking degree the same condition prevails in Idaho, Wyoming, Montana, Nevada, New-Mexico and Arizona".

The same authority speaks in the following high terms of the moral effects of co-operative irrigation in the Western States of America. "The West", he says "needs, as never before, to study methods of social organisation and to develop plans for co-operation. The need of watering many farms from a common source, and of organising committees for the distribution of water under fixed rules and discipline makes irrigation a nursery of co-operation. Its influence has been manifest in the tendency of Western Communities towards co-operative organisations of an industrial character, of which the fruit exchanges of California and the potato exchanges of Colorado are typical examples. That the principle of co-operation in irrigation is sound, is shown by the success of co-operative ditches which are everywhere maintained with less friction and operated at less cost than are canals controlled by others than the owners of the irrigated land."

If the present movement of co-operative irrigation receives the fullest public support and encouragement, Bankura may yet be the Utah of India and the movement originated there may, after transforming this district, transform the other arid regions of India into smiling lands of green verdure, salubrious villages and prosperous townships, and co-operation, after finding, as in America, a nursery for its growth in irrigation, will, it may be confidently hoped, extend rapidly to other industries on which the life and progress of the community depends.

And now, gentlemen, I have told you the story of the choice that lay before a Bengal District between life and death and of what it has at last elected to choose and how that choice is being put into action. It now only remains for me to indicate what appears to me to be the lesson to be gathered from the story for the rest of rural Bengal. You have seen that in Bankura famine and disease, leprosy and malaria have sprung and spread not from the malignant bacillus and the treacherous weather preying upon an otherwise unoffending people, but from the conditions created by a spirit of fatalism and the spirit of disunion in the villages leading to a total lack of perception of the necessity for acting and of the lack of even the capacity to act jointly for the common good in the vital necessities of life. You have seen how a population steeped in the depths of inertia and stagnation and almost lost to all ideas of improvement has been stirred into a new life, how a population which was hardly capable of making any effort for self improvement is to-day undertaking large schemes of re-construction with the utmost confidence. Do you not discern in this story a message not only for Western Bengal but for rural Bengal in general? Malaria and rural decay may not in every district in Bengal be related to irrigation and water supply, although according to the high authority of the present Director of Public Health, these are at the root of the matter in the whole of Western and Central Bengal. As a leading Calcutta Journal* has forcibly pointed out in its columns the other day, from a great part of rural Bengal the cry has gone forth "give us water or we perish!" Elsewhere in Bengal, it may be drainage, the clearance of swamps or jungles, the maintenance of flood embankments and so forth. But they will all yield to this one and only magic remedy of co-operative effort, supported no doubt, whereever necessary, by Government assistance and by the District and Union Boards, but initiated, backed up and maintained by numberless bands of organised workers from among the ranks of the public. In short, if I was asked to state what was this malady which to-day was eating into the vitals of rural Bengal, I would answer that it is not the fever

*The Statesman, July 12, 1922.

of malaria but the fever of strife, litigation and disunion with its reaction in the shape of inactivity and physical and moral stagnation and that the sovereign remedy is not quinine but Co-operation! For, a people well-nourished and well-organised for collective action in its common interests will look after its tanks and rivers, its drainage and its wealth and with the utmost ease shake off malaria and laugh at mosquitoes. On the other hand, plant an ill-nourished and disunited bundle of humanity among the healthiest of natural surroundings with the most expensive system of anti-malarial safeguards and malaria will soon receive an invitation within its gate.

Not that other measures are not needed. Universal Primary Education is most necessary and we hope that it is coming. Anti-malarial schemes worked out by experts in the field of Engineering and Public Health and initiated by the Government will also be of very great help. District and Union Boards must and will undoubtedly give their utmost assistance in solving these pressing problems. But even all these will prove inadequate unless and until we can help the people to learn to stand on their own legs; for, unless they can learn to do so, no outside aids will prevent their falling again. The root problem before us is how to remove the stagnation, apathy, and inertia which is preying on the rural and national mind like a fell disease. We must inspire confidence where there is despair, we must generate clean and sanitary habits where there is blind ignorance of sanitary laws and the rules of healthy life; we must generate co-operation where there is faction, unity where there is disunion. We must point out to the villagers how by joining together they can work out the material moral and economic salvation of themselves and their neighbours, how by doing so they can solve apparently insoluble difficulties with the utmost ease and banish disease and poverty. By organising themselves into co-operative societies for the supply of their vital needs we must inspire them with confidence in their own capabilities and show them that progress is possible.

Gentlemen, difficult as this work may appear, I can, from my personal experience in the villages of Bengal assure you that it is possible to bring about this transformation if only a

sufficient number of earnest people are prepared to take the sufficient amount of trouble to do the necessary work of propaganda and organisation in the true missionary spirit.

The Government Departments are now doing their best in the matter of organisation and propaganda. But to bring about the consummation outlined above two things are above all necessary :--first, that there should be in every district a devoted band of voluntary workers from the ranks of the educated public, and secondly, that they should think out clearly the chief ailments from which the district suffers and then apply the remedy indicated above with all the assistance that the State is in a position to give. Mere isolated action will not be enough. What is needed is widespread and concerted action on definite lines for the material economic and moral uplift of each district as a whole. In short we want a movement on a definite line of co-operative action in each district suited to the needs of that district. This can only be done if in each district there is a band of educated men who will think clearly, feel strongly, and act in unison on definite, clear lines. Unfortunately these factors are seldom found to exist together in the present state of the country. In the first place there is great lack of clear thinking as to the issues really involved in the social and economic situation in the rural areas. Believe me, gentlemen, that in dealing with large social and economical problems clear thinking is quite as necessary, if not more so, than enthusiasm. Then, again, even where the issues are perceived clearly there is indifference and a want of strong feeling. As to activity in rural areas it is a matter of rare occurrence and although individual activity may be noticeable here and there, there is an almost total lack of collective, organised action. There is a Social Service League in Calcutta. Let there be ramifications of it in every district and in every village. Where is the society of thoughtful people and earnest workers among the public in Bengal who are to-day thinking out solutions of the rural problem in its various aspects and organising the people for constructive work in the villages? Let that society of thoughtful enthusiastic workers come into existence not only for the whole province of Bengal but for every district and every village, and let the forces of unity and social service

be focussed into one supreme effort not only for the economic organisation of the people but for the cleansing of the villages and the regulation of the lives of the people in accordance with the elementary laws of health. Let the land be filled up within a short space of time with co-operative societies for irrigation and for drainage, for supply and for sale, for production and distribution in every department of economic life. Organisation for economic improvement will be followed by organisation for educational and social improvement. Let there be in every village Agricultural and Welfare Associations to carry on an incessant work of propaganda and organisation for economic moral and sanitary improvement.

Speaking of Ireland, a wellknown Irish author has truly said "Wherever rural prosperity is reported of any country, enquire into it and it will be found that it depends on rural organisation. Wherever there is rural decay, if it is enquired into, it would be found that there was a rural population, but no rural community, no organisation, no guild to promote common interest and to unite the countrymen in defence of them;" and again : "the country is the fountain of life and health of a race and this organisation of the country people into co-operative communities will educate them and make them citizens in the true sense of the word, that is, people continually conscious of their identity of interest with those about them. It is by this conscious sense of solidarity of interest which only the organised co-operative community can engender in modern times that the higher achievements of humanity become possible". It has been truly said that in co-operation is contained a rejuvenating power which is capable of elevating and improving the moral and spiritual level of the people and their material condition ; and Gladstone declared that "In the domain of social life in the 19th Century there was nothing so marvellous as Co-operation."

Why is it that co-operation has not yet worked the same wonderful transformation in this country as it has done elsewhere? It seems to me that it is because with a few honourable exceptions the public as a body in the country has not yet discerned the momentous possibilities of this movement and has not therefore yet taken it up enthusiastically, as in other pro-

gressive countries, as its very own. The Government Departments of Co-operation have been doing their very best and the success so far achieved in the domain of co-operation in this country is due mainly to their efforts. But if co-operation is to work the wonders which it alone can work in national welfare and prosperity, the entire educated community must embrace it and engraft it on every limb and in every.....artery of our communal life.

In every country whether it be Ireland or Belgium, Holland or Switzerland, Denmark, Italy or America, wherever co-operation has flourished and the people have flourished through it, it was not primarily through State action but through the unselfish efforts of a band of enthusiastic voluntary workers. In Finland it was the students of the University. In Western America it was the Mormon priests. In Belgium and Switzerland, Spain and Italy, it was the Catholic priests. In Denmark it was through bands of people organised in voluntary Agricultural Associations. In Ireland it was a band of educated and earnest people who formed themselves into the Irish Agricultural Organisation Society and worked night and day for the economic uplift of Ireland. Where is such a band of workers to be seen in Bengal and in India? It is for this band of workers that I appeal to-day.

Gentlemen, Co-operation contains in itself the elements of what I may almost term a new religion, a religion of humanity, philanthropy and true democratic progress. It is a religion peculiarly suited for the re-construction of rural life. In rural Bengal we have to-day no real rural community. The clash of vested interests and the weakening of the old religious structure on which village life was based in the past have led to the complete breakdown of this community life, this spirit of mutual aid on which human society must always rest and advance.

Educated men and women of Bengal! I appeal to you therefore to go out as missionaries of rural co-operation and preach this new religion which alone can reconstruct our national life; to organise yourselves into a veritable Rural Salvation Army to carry out a double campaign and a double organisation—namely, a campaign of co-operative propaganda and a campaign

of health and welfare propaganda accompanied by organisation for health and social and industrial welfare.

Let us to-day light a fire of sacrifice and service in the cause of rural unity and progress, the flame of which will purify and transform our national life into something richer, stronger, nobler and more harmonious; and let us carry a living spark from it into every dark village and hamlet in Bengal.

Let it not be said that the educated manhood of Bengal, old and young, failed in the clearness of vision, sincerity, honesty of purpose and practical earnestness needed to make this national effort; and that it failed in bringing the national idealism, which finds expression to-day in the sphere of its national poetry and its national polities, to bear upon the grim every day realities of its social and rural life, and in realising, in the heart of even a single village, its high ideals of brotherhood, union, health and well-being!

At the conclusion of the lecture, the Hon'ble Nawab said :-- "The business of to-day's meeting is now over and nothing remains but to thank Mr. Dutt for his very interesting discourse. He has given you a very vivid picture of the existing conditions of things in our villages and he has also told you the means by which improvements could be effected in villages. I am really a man of the village and so are many of you. We are therefore in a position greatly to appreciate this discourse and also, if I may say so, to profit by it. I repeat what I have said before that the most important problem in Bengal now is the work of rural reconstruction. The work can only be achieved by the non-officials working in co-operation with officials. I now take this opportunity to appeal to you and through you the wider public to take up this work and to assist the villagers to organize themselves and to help them along the path of progress."

THE POSSIBILITIES OF THE DEVELOPMENT OF FISHERIES IN KHULNA DISTRICT.

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A paper read by Mr. L. R. Fawcett, I.C.S., Collector of Khulna, at a meeting held on the 17th August, 1922, under the presidency of the Hon'ble Nawab Syed Naseeb Ali Chowdhuri, Minister of Agriculture, Bengal.

In dealing with the subject of fisheries in connection with this district, where we live, as it were, surrounded with fishes, it is impossible in a short paper to do justice even to a small part of what we want to convince you. I therefore propose to deal with what is perhaps the least known of the many fishing potentialities of this district namely the sea fisheries on the coast. Another reason why I have chosen the subject is that while hundreds of maunds of sea fish are caught here annually and thousands of rupees of profit made, none of the fish is made available for food in this district and hardly any of the profit goes into the pockets of any of the people of this district.

In order therefore to give you some idea of the fishery there, I will ask you mentally to accompany me on a voyage of imagination down to the mouth of our great river Passur. It is the middle of November, the ebbing tide and the north breeze is carrying us rapidly past the mud flats fringed by lines of "Keora" trees with their lower foliage trimmed to an exact level by the browsing deer. Gradually as we near the mouth of the river the mud of the estuary gives way to the white sand of the sea coast and we see on our right groups of huts outlining the coast as it bends westward to face the Bay of Bengal. Large fishing boats are drawn in to the shore opposite the first group of huts and we will land there to see what the catch is. As we step ashore surprises await us; the men on the shore who are unloading the catch from the boats are Chinese and the fish they are unloading—the fish they have come thousands of miles from Hankow in China to catch and export are the sharks which the

fishermen of the Bhairab and Atharabanki throw overboard as useless when they get them in their nets. That is the first lesson of our voyage ; it pays a Chinaman to come thousands of miles to get the sharks' flesh and fins for export ;—and it pays him well, he gets sixty rupees a maund for the dried fins in China and he too wastes from ignorance the skin of the shark which makes "shagreen" and the liver of the shark which produces oil of sufficient value and quality to have made it worth while as early as 1854 to set up a factory on the Madras coast for dealing solely with the livers of these great fishes. We have here in Bengal, here in Khulna the raw material in abundance, yet half the materials is entirely wasted and the other half provides profit for a Chinaman.

We will leave now the Chinese and pass on to the next group of huts. Here the half Mongolian features of the fishermen and the tight wrapped bright coloured *tungis* tell us that the profits from their Bengal fishery also are not going to Bengalees but to Maghs. On beyond the Maghs' huts we see some men who from their dress and appearance are Bengalees and we at last congratulate ourselves that Khulna men are making a living out of Khulna fishes. When we get in earshot however we are again disappointed and it is clear that a great majority of the thousand men whose huts line the coast are Chittagonians. I have spent several days among these fisherman during the past two and a half years and to the best of my recollection I have not met a single Khulna man there. Yet Khulna men undertake the infinitely more arduous and dangerous work of wood cutting among the Sunderban tigers. Why is it that the fisheries of the Passur do not help to provide work and food for the inhabitants of the areas where crop failure and distress prevail? It is want of organisation and want of propaganda and this organisation and propaganda will be not only a social service of the highest quality but a source of profit to any of you who would invest capital in fitting out boats or providing nets. To give you an idea of the fish available I will ask you to continue our imaginary journey and following the coast line turn westward so that we are walking along the shores of the Bay of Bengal. We reach a *khal* about fifteen yards across and as we look out

seawards we see a fleet of boats some thirty in number heading for this *khali* helped by the flood tide which has now set in. The nearest boat is not far from the *khali*, the furthest are but white specks of sail on the horizon. We go up the *khali* and find on each side of it a series of level spaces of beaten earth some two bighas in extent with huts around them. Each space is a drying yard, and in front of the yard on the edge of the *khali* old men and boys are gathered with baskets waiting the arrival of their boat.

In comes the first boat; it has been some nine miles out to sea, going out on the ebb tide to take up the nets, staying out at sea over the next flow and ebb, and coming in on the second flow from the time it went out. Its capacity is some five hundred maunds and it is manned by eight men and a helmsman. As it draws up to the drying yard, the fish which fill it half full gleam a silver mass in the sunshine. As soon as it draws to land the waiting men and boys begin to unload the fish by basketfuls and spread them out in the yard. There other men sort the fish in heaps according to their species, and still other men take the sorted heaps and spread them out in the sun to dry.

There are of course numerous varieties of fish but some seven species prevail. A naturalist would find hours of study in the contents of the baskets, but from a commercial point of view the following 7 (Seven) species are important. First comes the pomfret or *rufi hand*; those of you who know the price which it fetches in the New Market can realise the value of a catch where pomfret and sole are available in any quantity; you can realise too what profit is awaiting the individual or company which arranges for their transport on ice to the nearest rail head.

Here on the sea coast the pomfret are dried; locally in a dry state they fetch Rs. 12/- per maund and are resold for Rs. 25/- per maund in Chittagong. In drying both nutriment weight and value are lost but even so they are a source of profit; what is wanted now is organisation and capital for putting these and similar first class table fishes on the market in a fresh condition. The man or company which does so will both add to the available food supply of Bengal and will make a handsome fortune.

Next comes the ribbon fish or *churi*—we call its long white narrow body a ribbon, the fisherman call it *churi* or knife blade. These are essentially fish for drying rather than for sale fresh. Locally they are sold in a dry state for nine rupees a maund and resold for Rs. 20/- a maund in Chittagong. Khulna neither eats them nor takes the profit.

Next is a small fish called by the fishermen "rishu" identical, I think, with *Bregmaceros maclellandi*. This when dry is sold locally at Rs. 12/- and in Chittagong for Rs. 20/- a maund; it is available in sufficient quantities for canning and would probably serve as an excellent substitute for sardines.

Of the other fish available "bhola" and "chingri" which you all know, and two species of the herring tribe *Engraulis* and *Raonda* are sufficiently numerous to be of commercial importance; the last two would seem to be very suitable for salting and I am looking forward to seeing the experiment made.

Though the subject is by no means exhausted, I have given enough detail, I think, to shew that the estuarine fishery of this district is a genuine lucrative industry but that from our point of view it suffers from two disadvantages; the whole profit of the industry as well as the food supply goes out of the district, and secondly owing to the fact that only the primitive method of sundrying is employed, much of its value both in money and as food stuff is lost. Enterprise and organisation is needed, and a modicum of capital: the more you put into the industry the more you will get out of it.

Nor does this alone apply to the estuarine fishery; the other branches of fishery in the district *beel* fishery, tank fishery, river fishery are all awaiting study and development. Khulna has resources of fish which are almost unlimited; it is the duty of the people of Khulna to shew that by organisation and enterprise they can turn to account that very salt water which is at present their dreaded foe.

PROMOTION OF CO-OPERATIVE SOCIETIES AMONG INDUSTRIAL WORKERS.

[*By Mr. N. K. Roy, Assistant Registrar, Co-operative Societies, Bihar and Orissa.*]

A paper read at the Industrial Workers' Welfare Conference held in Bombay.

All co-operators must have dreamt dreams about Industrial Co-operation. I do not claim to be an exception. The Co-operator is nothing if he is not an idealist. But it would not be incorrect to say that we co-operators claim to have practical ideals. In this paper I shall endeavour to outline some of our dreams to describe the advantages which lure us to the prospect, and to indicate what appears to be the difficulties which we may expect to encounter if we endeavour to realize them in practice. Perhaps it will be convenient to describe separately the different forms of Industrial Co-operation which we aspire for and examine how far each form is of immediate practical interest. I would like to divide my paper into two broad divisions—Co-operative factories, and Co-operative Societies among factory workers.

1. *Co-operative Factories.*—I do not know whether any such factory exists in India—but all Co-operators have thought of Co-operative schemes in which the interest of labour and capital would be merged into one. The highest and best scheme is that in which the producers of the raw material will own the capital and share the profits of the factory with the workmen engaged in it, from the expert manager down to the commonest unskilled cooly. This is regarded by many as a Utopian dream and quite impractical. It is worth while, however, to examine the scheme in its details, for, if such a scheme could ever be made to materialize, there can be no doubt that it would be for the good of India. The development of Indian industries is in its infancy and before the country is plunged headlong into the kind of indus-

trialism familiar in the west, everyone who has at heart the welfare of the country should help in chalking out a programme for the future which would indicate a clear and steady line of industrial development while avoiding so far as possible, some of the great evils to which the industries of the west are a prey. The evils referred to are the tendency of capital to exploit labour for its own benefits,—to appropriate to itself all the fruits of production leaving to labour a bare margin of sustenance. I do not think that capital has ultimately much to gain by this short-sighted policy. Exploitation must lead to dissatisfaction and therefore to inefficiency. Besides only men without education and self-reliance can be exploited for a time which means that the exploitation not only creates and perpetuates inefficiency but implies inefficiency as a precedent condition. Then, there is the actual loss caused by strikes in the course of which valuable mines are wrecked and machineries destroyed besides the immense loss in production during the period of the strike. Both the capitalists and the labourers, it is too evident, suffer terribly as a result of these strikes. The actual loss to the country in material wealth and mental happiness cannot be estimated unless experiments are made in the organization of Industries on a co-operative basis. But I have not the least doubt that the co-operative principle of identifying the interests of labour and capital when adopted would prove to be one of the most potent factors in production and be also productive of much happiness. It is reported, with what truth I do not know, that the famous Mr. Ford of Canada applied the principle in a limited sense in this great firm, actuated by philanthropic motives but happened to make the most successful business hit of his life. And that is saying a great deal. Now let us examine the constitution of an ideal co-operative factory and see how far any of its methods can be worked in practice. The ideal co-operative manufactory would be one in which all the capital required would be owned by the producer of the raw material and the employees of the factory no particular individual being allowed to have shares above a certain maximum value. There would be a set of directors elected by the general body of share-holders, the supreme authority being vested as in all co-operative societies

in the general meeting. The profits distributed are (a) a maximum dividend on shares, (b) a bonus to suppliers of raw materials proportionate to the quantity supplied by each, (c) a bonus to employees proportionate to the wages earned. The advantages to the contrary of such a co-operative factory if it could be run are obvious. A co-operative factory as described above may be expected to save considerably in the matter of securing the raw material. The producers being share-holders of the mill and entitled to a bonus on the quantity supplied would be interested in supplying it with raw material and the cost of maintaining expensive agents for supplying the raw material would be considerably reduced. The workmen who have a share in the profits, will strain their nerves in maintaining a maximum output of work. Strikes and lockouts would be avoided and much unnecessary loss of wealth prevented. Wealth will be more equitably divided between capital and labour and an identity of interest would promote real co-operation between these two factors of production and result in a total increase of wealth and happiness. The industries themselves would be put on a more productive basis, in as much as the children of the workmen would have the means of better education and therefore become more efficient labourers.

But there are difficulties in this scheme which need to be appreciated. The success of a private factory depends largely on a competent manager properly controlled by an efficient set of directors who would be interested in the success of the concern. But if, as in the co-operative scheme, the shareholders are all uneducated, as most of the producers of raw materials and labourers in factories are likely to be, they cannot get from their ranks an efficient set of directors who could control the manager. Another obstacle is the difficulty to get the producers of raw material to become shareholders. Ordinarily the raw material passes through many hands and the producer is so far removed from the mill that he cannot be expected to take any interest in the mill. Both these difficulties can be overcome in part by the organization, as an intermediate stage of co-operative sale societies and co-operative elevators among the producers of the raw material and making these societies share-holders of the co-opera-

tive manufactory. So far as the workmen in the factory are concerned they could be represented by educated directors specially appointed to protect their interests. Some of these may be found among the more skilled and educated employees of the factory, and others unconnected with it but interested in the welfare of industrial workers. This may not be quite a satisfactory arrangement from the co-operative standpoint but until workmen are better educated, it would not, in my opinion, be a bad working compromise. There are other objections which may be raised. For example some will contend that the driving power of capitalists will be lacking in such co-operative enterprises. There may be some substance in this contention but I am prejudiced enough in favour of co-operation to believe that the loss of driving power provided by the capitalists would be more than compensated for by the increase in efficiency in the workers from the manager down to the common labourer, and by the improvement in the quality of the raw material supplied by the producers.

It will not be out of place to mention here that the experience of Denmark has proved beyond doubt that co-operative factory production is not an idle dream. In 1914, there were in the small country of Denmark no less than 1,168 co-operative dairies or butter-manufactories, against 196 private butter factories, while there were 45 co-operative piggeries or bacon-factories which disposed of nearly $2\frac{1}{2}$ million pigs as against 400,000 by private factories. The main principles of these dairies are these : Members bind themselves to deliver to the dairy all the milk they produce except what they use at home, all are jointly and severally liable, the profits are divided in some societies in proportion to the amount of milk delivered by each, and in others by the quantity of butter contents in the milk supplied ; all milk producers can be members without any contribution in cash. The co-operative piggeries or bacon factories have similar constitution. The circumstances in India are of course different. The Danish farmer is fairly well-educated. Denmark is a small country and it is one of the most advanced countries in the world as regards co-operative enterprises. But still it must be admitted that the example of Denmark is not without practical interest in our investigation. In India the producers of the raw material

and the employees of factories are too uneducated to send representatives to an efficient directorate. Further it may be conceded that the motive-power for capitalistic production should not be entirely lost. In view of these considerations I think it would be desirable to make our first experiments in a form which would combine the advantages of capitalistic with co-operative production. I have, therefore, made an humble effort to outline the constitution of a co-operative factory. I hope it may be found profitable to discuss the scheme. The scheme is this : Take some suitable industry—Jute mill or a Cotton mill. In order to have a co-operative mill, the co-operative organizers would first have to organize a number of co-operative sale societies among cotton or jute growers. When the quantity of raw cotton or jute available through such sale Societies reaches the minimum required to feed a mill, some enterprising organizer who believes in the possibilities of co-operative production might float a company. There would be two classes of shares—Preference and Ordinary—half the number being earmarked as ordinary. The preference shares will be open to capitalists. The ordinary shares to co-operative sale societies and elevators, and to the workmen to be employed in the mill. No ordinary share-holder would be allowed to purchase shares beyond a maximum value. The supreme authority would be vested in the general meeting in which Sale Societies and workmen would be represented by delegates proportionate to the strength of individuals which constitute respectively the Sale Societies and the general body of workmen. The general meeting will elect the directors—half of whom must be representatives of ordinary share-holders. The profits will be distributed after necessary deduction for depreciation and reserve fund, as a maximum dividend on shares—as bonus to suppliers of raw material in proportion to the quantity supplied and to the workmen in proportion to the wages earned. This is a brief outline of a possible co-operative factory. It is quite evident that the scheme cannot be applicable to all industries. But even if all industries cannot be organized on purely co-operative basis, there is room for the application of the co-operative principle in various degrees. All industrial concerns can by law regulate that a certain percentage of its

profits would be distributed as bonus to the workers or spent for their welfare as providing better housing conditions, schools for the children of the workmen, providing healthy recreation for the workmen. All these are worthy of consideration not merely from humanitarian point of view but from the point of view of increased production. I have no doubt that healthier and better condition would mean greater efficiency.

CO-OPERATIVE SOCIETIES AMONGST FACTORY WORKERS.

While dealing with the first part of my paper I admitted that my ideas were based on theories though, from my experience in other spheres of Co-operation, they do not appear to me to be incapable of realization in practice. In the second part my suggestions are based on some experience of the labour condition in coal mines and in the Tata Works at Jamshedpur. I have also some experience of labour conditions in cotton and jute mills. The result of my investigations into the conditions under which the workers live in the coal fields of Jheria and Jamshedpur may be summarized as follows :-

- (a) The local supply of necessities and comforts are very much below the demand and consequently the local shop-keepers engage in naked profiteering. Co-operative stores for the supply of necessities and ordinary comforts would remove a much felt want.
- (b) Money lenders charge exorbitant rates of interest ranging from $37\frac{1}{2}$ to 150% and there is plenty of scope for co-operative credit societies though these would require special safeguards owing to the extremely floating character of the labour population.
- (c) The labourers are fairly well paid and considering their low standard of living are likely to save considerably if facilities for savings are provided.
- (d) Many labourers do not work throughout the week simply because they earn enough in 3 or 4 days to meet their wants for the whole week. Others spend their surplus earnings on drink. If facilities for

savings were provided both these classes would probably work more, and learn to save. Good savings banks which will inspire their confidence are an urgent necessity for their economic welfare.

- (e) The labour is exceedingly mobile and therefore inefficient.
- (f) Housing conditions are on the whole unsatisfactory and this is one of the chief factors why labourers do not settle down. There is scope for co-operative housing schemes.

I would endeavour to describe the nature of the co-operative societies which may be attempted among factory workers and indicate the conditions which are likely to ensure their success.

CO-OPERATIVE HOUSING SOCIETIES.

In those areas where housing conditions are generally unsatisfactory there appears to be scope for Co-operative Housing Schemes. But the subject is obviously beset with difficulties and as I have not had either the time or the opportunity to study the question in its practical bearing I doubt if I could suggest anything useful. But as a mere theory I may be pardoned if I throw out an idea. I have thought of the subject and I know some of the predilections of the class of men from whom factory workers are recruited. In my opinion, the best way to command labour under more settled conditions than they are obtainable at present is to devise, after freely consulting the labourers themselves, plans of attractive though inexpensive cottages with small plots of land attached to each and endeavour to provide the labourers with such housing conditions. The whole initial cost may be borne by the factory owners or raised by special banks or philanthropic financiers and the labourer allowed to pay the principal and interest in the shape of a monthly or weekly payment spread over 10 to 20 years. It is presumed that the interest will be reasonable. Special types of Co-operative Banks may be organized to finance such schemes, and if the owners of factories backed these loans by providing additional securities in the shape of guarantees than what are available from the liabilities of the members themselves, such banks may be brought into existence.

The owners might go one better and undertake to make such houses available to the labourers at half the actual cost. The expenditure would be truly productive as it would by making housing conditions more congenial and healthy settle labour and increase its efficiency. It would also be really philanthropic as no condition tells more on the health and morals of the factory workers and coal miners than the housing conditions under which they generally have to live.

CO-OPERATIVE CREDIT SOCIETIES.

There is very great need for this class of societies but the difficulties in the way of their fruition are very great. The labouring class as already mentioned are floating and often near neighbours belong to different parts of the country having very little affinity with each other. They know very little of each other's habits and characters and the principle of joint liability which is the whole basis for co-operative credit, is not easily receivable under these conditions. The only way in which such societies may be stated is to organize small societies with very limited membership not exceeding 50 and restrict the membership strictly to prescribed limits of residency--or to special departments in which they are employed. It would also be necessary in many cases, to enrol the headmen and foremen as members and supervisors of societies as they would be in a position by the knowledge of the workers' character, to assess the credit of members accordingly. If they realize the need for and the advantages of such societies and accept the joint liability with full knowledge of the risks involved, they would performe cultivate each other's acquaintances more and more. But in any case it may be taken as fairly certain that without intimate mutual acquaintanceship, no successful credit societies can be organized. These societies should also be based on a system of shares payable in easy instalments, loans being limited to a certain multiple of the value of shares paid up. If the employees are sympathetic they can help in a variety of ways. They can, require the officer who distributes wages to deduct from the wages, on the previous authorisation of a member, the instalments of a loan repayments as agreed upon between the member and the society.

In order, however, that these societies might be a success from the co-operative standpoint, it is necessary to arrange for their finance and supervision by a central co-operative bank. The safest method would be to organize a number of societies simultaneously and affiliate them to a central bank with a complete staff of officers. The Bank may recruit shareholders from the educated employees of the factories or mines. In the initial stages it would be necessary for the proprietors to subsidize the central bank towards the salary of a well qualified manager specially trained for co-operative work. An initial salary of Rs. 150-10-250 ought to fetch a competent man.

Co-operative Stores. - From my study and investigation into the subject of co-operative stores two or three essential conditions for success may be laid down. A store must have regard for convenience of situation. People do not mind paying for their convenience and consumers will generally pay more and get goods at their door than take the trouble to go far to get things cheaper. (b) A store cannot be a success unless reliable and therefore well-paid men are put in charge. A cheap manager spells failure. It is, therefore, necessary to start stores with a sufficient working capital to enable the stores to pay for a good manager from the commencement. (c) As in all good business there must be no unnecessary locking up of capital. This can be ensured by very careful selection and estimate of the goods stocked. Mistakes can be avoided by freely consulting the members as regards their needs. (d) Genuineness of articles is everywhere appreciated and good things at fair value are always better than merely cheap things. A co-operative store should aim at providing genuine and good staff at reasonable rates. (e) In order to prevent leakage an effective system of dividing stock in store room and sales room and of periodical stock-taking is necessary. (f) In order to make the stores popular rebates should be granted at least twice a year.

The foregoing conditions must be borne in mind if co-operative stores are to be organized in labour centres. A constructive scheme of organization for such stores should be as follows :—

1. A number of stores from 5 to 10 should be organized simultaneously with at least fifty members in each, and the whole

group be put in charge of a reliable competent general manager who must be well-up in business, auditing and accountancy as well as in business experience. A salary of Rs. 200 a month with a percentage of the profits ought to attract a good man in our part of the country. The manager will be in charge of making purchases and will have to be in touch with the market. He will ascertain the requirements of the stores and bulk the orders. He will be responsible for giving out supplies from the stores-room to the sales-room and for taking periodical stock of goods. He will be responsible for seeing that the books of the Stores are kept in order and have to make frequent inspections.

2. Each Store will have an accountant-manager and two or more salesmen. Each Store will have as part of its regular business a Savings Bank department which will be in charge of the accountant-manager. Proper rules would be framed and pass-books issued to each depositor. The main feature of the rules would be as follows : -

Deposits will be received from all employees whether they are members of the Stores or not. Fractions of a rupee will not be received and no interest allowed on sums below a certain minimum, say Rs. 5 or 10, or for periods less than 3 months. But full facilities will be given for withdrawals, the only condition being a short notice of 3 to 7 days. The Savings Bank will have a cash credit with a local bank to meet depositors' calls.

3. Each Store will require a suitable building which will have to be provided by the proprietors who may charge a rent for it.

4. It will be necessary in the initial stages for the factory owners to give both moral and financial support. If they find the pay of the General Manager and provide the necessary buildings, it would go a great way towards ensuring the success of the Stores.

ANGLO-INDIANS AND HOUSING

[By MR. H. W. B. MORENO.]

Two very able papers, have been written by Captain Julian Clifford, both styled "Facts and Figures;" in one of them a reference is made to the degenerate state of living by Anglo-Indians, in tenements fit only for the menial class. "The out-house residence," Captain Clifford says, "is a feature peculiar to Calcutta. It consists in renting out-servants' quarters and lumber rooms for residential purposes. They are not only ill adapted for such purposes but the majority are fearfully damp. As a natural consequence those occupying them are frequently ill". Continuing on the dwellings of those poor people, he says : "The mat-house residence is a temporary structure erected in the courtyards of pucca built houses. Each house contains as many separate compartments as the space at command will allow. The compartments are of varying sizes. The largest I have seen was 14 feet by 12 feet, the smallest 8 feet by 4 feet. Rents vary according to locality, surroundings and size, and range from Rs. 1-8 to Rs. 7 per month; a house of four compartments could be built for Rs. 30." In a paper also by Mr. R. N. Gilchrist a very illuminating description is given of the difficulties of the Anglo-Indian in finding suitable house accommodation in Calcutta. We quote fully his words, though open to the charge of prolixity : "The strongest language," he says, "may be used about the ground floor *bustis* even though they had no inhabitants, but the problem becomes all the more serious when we are faced with the fact that the ground floors are the most thickly populated. There are several instances of more than four in a room. One instance showed us six in one room and a small verandah, two of the six being a youth of 19, and his cousin a girl of 18. The net result is that the accommodation here which to the casual observer seems cheap is very expensive. Relative to income, the amount paid for a *busti* is about 20 per cent of the total income. For a godown or room on a ground floor or vault, the percentage is about 23 per cent : the *busti* is dearer because the room is less. The per-

centages of income paid for middle and upper flats vary very much. It comes down to the reasonable limit of 11 per cent., in many sometimes it is as high as 40 per cent. *Pucca* self-contained houses work out at about 18 to 20 per cent of income paid in rent. The middle and upper flats of the houses tell quite a different tale. The class of people is usually quite different. In fact, if we take Rs. 80 per mensem as our poverty line, the most of the people in these flats would be out with our survey. Many of these flats are fairly respectable, some of them are quite comfortable, the comfort varying with the distance from the ground. "Let me describe a typical house," continues Mr. Gilchrist, "the ground floor is one plinth, the house having three stories in all. The height of the rooms is about 12 feet, but it is impossible to gauge the cubic contents as the rooms are divided and sub-divided in all sorts of ways. There are two godowns used by families and one used as a cookroom. The house seems to have been built originally for several families, but that is not certain. On the ground floor are two families, on the first floor are three families—one family having three branches, on the top floor is one family. The general condition of the house is very bad. It is very damp, smoky, smelly, badly drained; the lower flats are overbuilt, the bathing accommodation is most unsatisfactory; the furniture is bad because of the damp; the compound, small at the best, is filled up, giving little outside air space. The total rent comes to about Rs. 160 a month." Having stated the facts, Mr. Gilchrist then proceeds to draw his conclusions: "Overcrowding," he states, "in rooms is not only common; it is the rule. Over-crowding in area is as common. The analysis of house rent shows the general broad principles of Calcutta house rent only at first sight. The lower flats are nominally the smallest in rent, but really they are extraordinarily expensive. They are expensive in air-space per head of population and far more expensive when the vital element of healthy life is considered."

This housing problem is found in all large cities. London, for instance, has its own difficulties to contend with in this direction. Taking the figures for a decade we find that in 1891, 31.5 per cent of London's population were living under crowded conditions. There were 172,502 one room tenements of which over 27,000

were occupied by four or more than four persons; in a total of more than a hundred cases by nine, six, eleven and even twelve persons living in one room. In 1901 there is a slight improvement, for in that year there were 149,524 one-room tenants, 17,000 of which were occupied by four or more than four persons.

The housing question, however, assumes large proportions when viewed in its entirety. There is the whole subject of housing for our Indian brethren, the high, the middle class, the low. Mr. M. M. Chatterjee has written a paper in which he deals with this aspect of the subject in his "Housing for the Bhadralog." Our knowledge of the Indian conditions of housing for the poorer classes is far too restricted to allow us to dare suggest remedies for their amelioration, much though we sympathise with them in the dire condition of their dwelling-places. Dealing even with the question of housing for the white population one finds the subject grow in size. Model dwellings for the poor have baffled abler minds. For a decade, approximately from 1884 to 1894, the Anglo-Indian Association was involved in solving this great problem. It is needless to state that all its efforts were spent in vain. At its meeting held on the 13th November 1891 as recorded in the *Eurasian and Anglo-Indian Recorder* of the 25th November of that year we find this entry :—

"Kintals (dwellings for the poor) :—The consensus of opinion on this subject was that it is beyond the power of the Association to make reforms in this class of dwellings: but that the sanitation of existing dwellings, and the construction of new dwellings of this class on strictly sanitary plans should be enforced by the Municipality in terms of their Act."

The question of better accommodation for the middle class European and Anglo-Indian population of the city, raises certain issues and they are :—

1. Too many people must not live in one house;
2. Too many houses must not be built on any fixed area of land.
- 3: There must be a sufficient number of houses for all the people for whom the dwellings are constructed.

4. The houses must be well-built, well-ventilated, well-lighted and well-drained.

To secure these advantages we make bold to state that the co-operative movement is the one thing that should prove most helpful. In England they have carried these things to perfection. In 1903 about 8 million pounds were spent there in co-operative societies in providing 37,000 houses; up to 1906 the figure rose to 10 million pounds for 10,000 houses. May we give a few specific instances of the co-operative movement there?

The Garden City movement, such as at Letchworth and Bourneville, is a plan that could well be followed here in Calcutta for there is room for such a laying out of a Garden City in the southern suburbs of Calcutta, within easy reach and accessible by our electric tramways. At Letchworth, 35 miles from London, 3,800 acres of land were purchased forming one solid estate for development by the Company. The nominal capital was fixed at £320,000. The estate originally was all agricultural land. Since it has been taken over by the Company a railway station has been erected and the town is confined to a limited area in the centre of the estate with an agricultural belt all round. Each house has a garden and the number of houses is limited. Parks and open spaces are provided within the town. A large area near the railway station is reserved for factory accommodation. The agricultural belt of land is divided into small holding's for tenants. The population is rapidly growing, 10 miles of good roads have been made; water-mains, gas-mains and sewers havg been laid. At Bourneville, which is a model village, a Public Trust has the entire charge and management of the village, everything being under the direction of the Trust. The letting of land is on given conditions :---

Houses are either semi detached, or in blocks of four, dwellings occupy about one quarter of the sites; there are 60, square yards for gardening. Factories occupy only a fifteenth part of the whole estate.

Land is let on a 999 years lease; cottages are not sold outright, only a small ground rent is paid, money is paid on mortgage at $2\frac{1}{2}$ to $3\frac{1}{2}$ per cent.

The results at Bourneville are that the cottages are never vacant, there is always a keen competition in renting them, and there is practically no loss owing to arrears of rent. The health of community, men and women, is extraordinarily good, the death-rate being less than 10 per 1,000 (8 per 1,000 in 1903) as compared to 20 per 1,000 in the neighbourhood of Birmingham. The infant mortality for Bourneville is 95 per 1,000; if that were the rate for the whole of Britain 50,000 infants would be saved annually. The gardening in which actual personal work can be done in the evening and on holidays is the most restful of all occupations; as for the children the garden is the one supreme opportunity of giving them a happy, healthy life from the first.

But it may well be advanced that to talk of a Garden City movement in Calcutta, in the present state of things, is to shun the practical and to court the ideal. Even if that be a goal scarcely attainable, though we do not admit it to be so visionary as it seems, may we direct attention to what may be begun, even as things are now? Here we have to assist us the attempt successfully launched by the Bombay Co-operative Housing Association. They have solved the problem in a very definite manner by securing a plot of land and by building dwelling places for the middle class there on the co-partnership housing principle. Land was taken from the Bombay City Improvement Trust, about 1,456 square yards, at a rental of Rs. 980 per annum. A little less than half of the area, to be precise 43 per cent. is built upon, the rest being laid out as a garden. There are now erected 3 buildings and an out-house. Each building consists of a ground floor and two upper floors, with two independent tenements on each floor. Each tenement is self-contained and the accommodation provided consists of two bedrooms, a hall or sitting room, a kitchen, a bathroom, a water-closet and a small verandah. Rents vary on different floors, the average rent per tenement being Rs. 323 per mensem which works out to Rs. 5 per 100 square feet of the rented floor area. The buildings are fitted with electric lights and each tenant pays his own electric consumption bill in addition to rent. The cost of each building including plumbing works, but excluding electric fittings, is Rs. 22,000. The total cost of the works including the electric

fittings, the out-house, the compound wall, the garden, including the legal charges and other incidentals is, in round figures, Rs. 72,000, and as the three houses together contain 18 tenements the cost of each tenement including incidentals averages about Rs. 4,000. Each tenement has contributed towards the capital of the Society one-third of the cost of his tenement, viz., Rs. 1,300 on which he earns 5 per cent. dividend or interest, the amount contributed by him being treated, merely as an investment which he is at liberty to realise on his leaving the tenement. Out of the total cost Rs. 72,000 of the works, Rs. 34,000 have been subscribed by the 18 tenant members, Rs. 10,000 by other members, and the remaining amount is raised by loans at interest not exceeding 5 per cent. per annum. The rents are fixed so as to yield 5 per cent. net on the total capital invested after covering all the outgoings, viz., ground rent, taxes, sinking and repairs funds, insurance and contingent expenses. The buildings are well-built with ample open spaces all round and are secured against such depreciation as some buildings have suffered through the creation of slums in their vicinity, by the fact that they are erected on the Improvement Trust Estate where all building operations are controlled by the Trust and the Estate is itself developed on sanitary lines. The tenants being substantial investors in the Society, take the best care of the houses and there is no default in rents. The provision for the Repairs Fund is an additional guarantee that the houses will always be kept up to date. The provision for a Sinking Fund for replacing the house in due course is a sufficient assurance that the investments of the Society will remain safe for any length of time. Tenants get the full benefit of ownership, without being required to pay the entire price of the house where they reside, for the Society owns the property with all its appurtenances. Defaults of rent being provided against, honest payers are not made to pay for the dishonest defaults of others. Though enjoying all the benefits of ownership, tenants are not tied down to their houses, but are enabled to realise their investments in the Society when occasions to leave the houses arise. If a tenant, however, chooses to leave his investment with the Society the tenant continues to earn interest thereon. The property being managed by the tenants

themselves they enjoy the fixity of tenure free from the harassments of landlords in general ; they get the benefits of appreciation without being called to pay extra rents therefor. Selection of residents in the Society's buildings being controlled, there is little likelihood of undesirable neighbours being forced upon the tenants.

It is true to start the Society in Bombay a generous individual had to come forward with a loan of Rs. 24,000 at only 4 per cent. to concrete the scheme, but are there not as willing people and as generous helpers in this city ? The City Improvement Trust is with us in Calcutta. Could not a spare piece of ground be secured on easy terms, as the Bombay Association has done and a set of buildings put up for the dwellings of the middle class of the white population of the city, who, day by day, are growing poorer by the many ills that surround them, not the least of which is the charging of exorbitant house-rents by landlords for insufficient and inefficient accommodation ? It is true this will involve larger issues, the formation and co-ordination in a co-operative movement for the erection of suitable dwellings in the city, but are such things beyond our reach ?

Theories may be valuable in the overcoming of evils, but the smallest practical attempt to solve the difficulty is worth a thousand such theories. Here is outlined a very limited sphere in which the energies of people may most profitably be employed. May assistance come, by the banding together of a few earnest and thoughtful men who will put in motion at least one part of the suffering population of so large a city as ours ! Our efforts may lead to little in the end, but once we are in earnest co-operation we may put in motion a series of other movements that may lead to ends beyond our present ken. Anglo-Indians are still pressed on all sides by the housing problem, but all the while the remedy lies in their hands.

NOTES ON CO-OPERATIVE SUBJECTS FOR DISCUSSION AT THE JOINT CONFERENCE OF THE DEPARTMENT OF CO-OPERATION AGRICULTURE & INDUSTRIES

(a) Financing of Industrial Societies and formation of Industrial Unions for Banking and other purposes.

1. The question of financing industrial societies has in the past presented considerable difficulties. The Central Banks, as has been pointed out by the Industrial Commission, look with considerable and quite justifiable doubt on societies of a new type until their soundness has been thoroughly established by success and they fight shy of industrial societies the members of which cannot offer landed security. The matter was discussed at the 11th Conference of Co-operative Societies; a small Committee of co-operators and business men appointed on the recommendations of the 11th, and also by the 12th Conference of Co-operative Societies. The 11th Conference recommended that in areas where there were no industrial unions Central Banks should appoint Industrial Sub-committees to look after the organization, supervision and financing of industrial societies. The Committee recommended that industrial unions on the model of the Bankura Industrial Union are the best agencies in the mofussil for the financing of industrial societies. The 12th Conference suggested proper provision for financing industrial societies and proposed amendment of Government rules for loans so as to enable Local Governments to advance up to Rs. 10,000/- without reference to the Government of India and in larger projects to guarantee the Bengal Provincial Co-operative Federation up to a loss of 25 per cent. of the advances made to industrial societies. With regard to the resolution of the 11th Conference that Central Banks should undertake financing of industrial societies in areas where there are no industrial unions it is not possible of execution except on a restricted scale as financing of industrial societies includes provision of raw materials as well as arrangements for the taking over of products for sale. It is not ordinarily desirable that Central Banks should take up on a wide scale work other than ordinary financing. But as a matter of practical necessity for the present we may say that where there exists only a limited number of industrial societies (often rather scattered) with no immediate prospect of expansion Central Banks should be induced to finance these industrial

societies and to control the operations of these industrial societies through an Industrial Sub-committee. Central Banks should also advance money on the security of finished products for the disposal of which special arrangements would be made in addition to supplying money for the purchase of raw materials.

2. There cannot be any doubt that Industrial Unions of the Bankura type are the most suitable agency for financing industrial societies and it is very satisfactory that during the last two months two Industrial Unions one at Krishnagar and the other at Dacca have come into being. But doubts have been expressed how far the Industrial Unions will be able to raise the necessary capital from the public. The Provincial Federation will undoubtedly render all financial assistance, but as in the case of Bankura they may ask for a Government guarantee till the success of these Unions has been assured. There should thus be liberal provision for the grant of loans by Government as well as for guaranteeing the Federation against loss.

3. Model bye-laws for Industrial Unions have been drawn up and these may be considered by the Conference.

(b) Desirability of starting an Agency or Depot in Calcutta for the sale of the products of Co-operative Societies.

One of the chief difficulties in connection with industrial societies is the disposal of their finished products. The necessity for a sale depot in Calcutta owned by industrial co-operative societies and managed by them and in their interest has been felt from a long time. As a matter of fact a small depot was opened in 1917, the cost of running which was met for some time by private subscriptions. In order to make the sale depot self-supporting it retained a commission of not more than 6½ per cent. on all sales. At the instance of certain persons in Calcutta interested in co-operation the depot was converted into a consumers' society but a consumers' society to utilize the products of co-operative societies is the last thing wanted by the societies. The industrial side of the co-operative movement has not yet sufficiently developed to enable the industrial societies to maintain a sale depot of their own without financial assistance from Government and some of the industrial societies have therefore suggested that Government should be approached to make a grant to them for maintaining a sale depot for a period of two or three years. The Industrial Commission have remarked in paragraph

268 of their report that in view of the importance of improving the position of the cottage worker where he is handicapped, as at present, by the want of a free sale for his goods, it is justifiable to incur some risk in experimental efforts. Such a sale depot will be of special assistance to small groups of industrial societies which are too scattered to be formed into Industrial Unions. The Bengal Home Industries Association is one of the marketing agencies of the co-operative societies, but it is not in a position to assist them much as there is no sort of organic connection between industrial societies and the Home Industries Association nor are the industrial societies represented on its management.

(c) Formation of Irrigation Societies.

1. The first irrigation society in Bengal was formed in the year 1916 at Khelar in the District of Midnapore by the combined efforts of members of two successful rural co-operative societies in the area. The object of the society was to construct a dam across a natural stream and to distribute the water to the fields of the members by means of artificial channels. The cost of the scheme was met from shares subscribed by members. The society has removed a real want in the locality and is greatly appreciated by its members.

2. The formation of co-operative irrigation societies has this year come to prominence owing to a strong demand for such societies in the district of Bankura. Several irrigation societies have been registered. The series of crop failures from which the district has suffered in recent years has brought home to the people of the district the urgent necessity for irrigation works for the storage and distribution of water and the suicidal policy pursued by persons interested in the existing irrigation works in neglecting to keep them in a state of proper repair. Some of the societies have been formed for construction of bunds across natural streams and the distribution of water by means of irrigation channels while the majority of the societies have been formed for the re-excavation of irrigation tanks. At one time the districts of Bankura and Burdwan were studded with such tanks but the majority of them are now in a state of disrepair, owing to their ownership having passed into several hands. Not only are no new schemes executed now but it is disheartening to see the condition of the bulk of the tanks which at one time helped the cultivators to irrigate their fields. The provisions of the Agricultural and Sanitary Improvement Act are in the opinion of several people too complex for the execution on an

extensive scale of projects for re-excavation of irrigation tanks and excavation of new tanks. As was pointed out by Sir John Cumming in a speech at the Legislative Council that "works of this description are emphatically within the domain of private effort". The best chance of success, as has been demonstrated by the experiments so far made in Bankura, is by organizing persons interested in irrigation works into co-operative societies and the execution of works by co-operative societies. The control of the co-operative societies through the Registrar is at present easier than the control of a non descript selection of persons by a local body. They form a corporate body with legal rights and they can become legally owners of the tanks if they are legally acquired under the Land Acquisition Act. There is less likelihood of civil suits within the body, as the signatures of all the members of the bye-laws bind them to accept the decision of the General Meeting and probably estops one from bringing a civil suit against the others. For the present it is proposed to take up those schemes in which no causes of dispute are likely to arise. But if any difficulty is experienced owing to the recalcitrancy of a minority of persons interested in irrigation works or of the owners of lands forming the subject of irrigation projects recourse may be had to the Agricultural and Sanitary Improvement Act. It may be mentioned here that in case of any obstacle placed by the owners there are two methods of proceeding under the Agricultural and Sanitary Improvement Act: (1) The land may be acquired under the Land Acquisition Act, (2) The land need not be acquired but the owner will be entitled to compensation for damage if it is entered upon and work executed. It may also be mentioned that even without recourse to Agricultural and Sanitary Improvement Act land may be acquired on behalf of a Co-operative Society under the Land Acquisition Act and that there has been an instance of such acquisition in Bankura. The idea is that special acts should be kept in reserve and should be used only when exceptional circumstances made it necessary that Government should come to the assistance of private effort.

3. Certain instructions have been drawn up for the guidance of officers engaged in the organization of irrigation societies and copies of these instructions are enclosed herewith for consideration by the Conference.

4. The main features of the Co-operative Irrigation Schemes in Bankura are:—(1) societies are formed on a limited liability basis but in order that they may be in a position to offer adequate security to their creditors the liability of the members are fixed at a certain multiple of the

nominal value of their shares; (2) the number of shares to be subscribed by members are fixed with a view to meeting full costs together with incidental charges; (3) the number of shares which a member purchases is based on the quantity of the land which will be benefited; (4) in the case of societies where members are not able to pay the full value of shares in one instalment provision is made for the execution of irrigation schemes by means of deposits and loans to be repaid from payment of share calls as they fall due; (5) provision is made for satisfying the creditors of societies that members have sufficient assets against which the liability they have undertaken for the debts of the societies can be enforced; (6) provision is made for proper maintenance of completed schemes either by a levy of water rate or by a levy of the capital cost of maintenance.

5. For the success of the irrigation movement it is very desirable that societies should be organized with great caution. In particular it is very necessary that there should be careful estimate of the cost in respect of the projects for which societies are organized. Owing to the absence of a wholetime Agricultural Engineer difficulty has been experienced in preparing careful estimates. An application has been made to Government for an Agricultural Engineer and when the appointment is made the difficulty will disappear.

(d) Summary of Instructions issued by the Registrar of Co-operative Societies, Bengal, for the organization of Co-operative Irrigation Societies.

1. No scheme should be taken up which is likely to promote discord between the owners of land forming the subject of the scheme and the tenants having rights of irrigation; and societies should not be organized in villages in which the owners object to the execution of the schemes and in which the tenants' rights of irrigation are not very clear. In many villages it will be possible for the organisers to settle likely causes of disputes before organizing a society and there will be no objection to registering societies in such villages provided the organizers certify that they are reasonably satisfied that no trouble is likely to arise in future. In the case of promising schemes where the owners of land or a small minority of persons interested in irrigation rights are recalcitrant, recourse may be had to the provisions of Agricultural and Sanitary Improvement Act. The Act provides for the recovery of costs from persons interested and the payment of compensation to persons injuriously affected and the application

of it will facilitate execution of schemes and settlement of disputes between owners of land and persons interested in irrigation.

2. The bye-laws of every society should clearly specify the particular scheme for the execution of which the society is formed. Power should at the same time be taken to undertake such other schemes of irrigation and water-supply as may be approved by the General Meeting.

3. The funds required for the execution of a scheme should be raised by shares subscribed by members. As the societies will have no special source of income sufficient shares must be subscribed by members to enable the societies to meet from share payments the entire cost of the execution of the schemes and other incidental charges. The number of shares which a member will be required to subscribe should be based on the area of land belonging to him which will be benefited.

4. In the case of many societies it may not be possible for the members to pay the full value of shares in one instalment. Provision should be made in such cases for the payment of shares in instalments spreading over 4 or 5 years. For the execution of irrigation schemes it will be necessary in such societies to raise money by way of deposits and loans. The amount of borrowing together with the collection of the first instalment of shares must be sufficient to meet the cost of the scheme. The amount borrowed should be repaid with interest from subsequent collections of share money and the terms of loans and deposits should be regulated accordingly. The bye-laws should provide for the levy of interest on deferred payment of shares so as to enable the society to pay interest on borrowings if on account of failure of crops or any unforeseen emergencies the society is unable to repay its borrowings on due dates.

5. It follows from what has been said before that before a society is organized the irrigation rights should be carefully investigated and a reliable estimate should be prepared. The importance of an accurate estimate of cost in an irrigation society cannot be overestimated. In the first place the number and value of shares will depend entirely on the cost to be incurred. Secondly, a society is bound to be a failure if the work executed does not give sufficient water for the irrigation of all the lands in respect of which shares have been purchased. Insufficiency of water is likely to lead to a scramble for it amongst the members and a member who fails to obtain sufficient water for his land will most likely refuse to pay his share calls. In many cases it will be found that the rights of irrigation are different and of varying degrees of value which is determined by the level of

the land, its proximity to the subject of the scheme and other circumstances. In such cases it will be necessary to value the shares differently unless the members desire to be placed on a footing of equality irrespective of the amount of benefit derived by them from the scheme.

6. The liability of the members should be limited but in order that the society may be in a position to offer adequate security to its creditors the liability of the members should be fixed at a certain multiple (say, two or three times) of the nominal value of shares held.

7. It will be necessary to prepare a statement of the properties and debts of members in the case of societies which require to raise funds by loans. Creditors would want to be satisfied that the members are in a position to pay instalments of share capital as they fall due and have assets from which they can meet the reserve liability attached to their shares if necessary. The preparation of property and debt statements in the case of big schemes is no doubt a matter of considerable difficulty, but it is always best to take the trouble of preparing it for the satisfaction of creditors. In the case of big schemes where the organisers from their personal experience know that all the substantial and prominent persons of the locality have joined the society such statements may probably be dispensed with, but that is a matter between the society and its financiers.

8. For the proper maintenance of the schemes after their execution there should be provision in the bye-laws for the levy of a water-rate at a rate calculated to cover the cost of maintenance. Where the expression "water-rate" is likely to be objected to, the word "subscription" may be used in its place. This provision is unnecessary in cases where the persons interested, in addition to the cost of the execution of schemes together with incidental charges, are willing to raise sufficient funds for investment with a view to meeting the annual expenditure on maintenance from its proceeds. The funds in such cases should always be invested in accordance with Section 32 of the Co-operative Societies Act. It may be pointed out here that it is urgently necessary that there should be proper provision for the maintenance of completed schemes. If no such provision is made the work which is being done will have to be done over again after a lapse of certain years.

(e) Financing of co-operative societies—long and short term investments.

i. One of the weakest points in the financing of co-operative societies

is that at present no distinction is maintained between short-term and long-term loans. Advances for such widely divergent purposes as cultivation expenses and redemption of debts are combined in one loan both in the case of loans granted by primary societies to their members and by central societies to primary societies. There are clear instructions with regard to the principles on which dates of repayment of loans should be fixed. The general principle which has been laid down is that in every case loans should be repaid from the use to which they are put or from savings effected and that dates for repayment should be fixed with reference to the purpose for which the loan is taken, the crops grown by the borrower and his other sources of income. This principle is not always followed as more often than not advances for several purposes are taken at the same time and in one lump and one bond is executed and dates for repayment are fixed with reference to the purpose for which the largest amount is borrowed. This makes it difficult to watch repayments and to see whether repayments are made by borrowers from the fulfilment of the purpose for which loans are taken. For instance the portion of the loan which has been taken for cultivation expenses is not repaid from the sale of the produce of cultivation as it is mixed up with loan for redemption of debts for which equal annual repayments are fixed, and the result is that next year the borrower again takes loans for cultivation expenses without repayment in full of the amount which he took the previous year. Under the existing system adequate scrutiny of the uses to which such consolidated loans are put by members of primary societies and the progress of their repayments with definite regard to the different purposes for which the loans were taken and fulfilment of these purposes cannot be expected either from the Departmental staff or the staff of the Central Banks and certainly at present the Directorate of primary societies cannot be relied on to maintain such scrutiny. It is therefore necessary that loans for different purposes should be given out separately and that short term loans should be kept distinct from long term loans. Generally speaking short term loans are advances for the production of crops and the preparation and the marketing of the same and include loans given for payment of rent or revenue on a date between the sowing and the marketing of the crop. Long term loans are loans for the purchase and improvement of land, payment of old debts, necessary expenditure which are of a non-recurring character. One of the chief functions of co-operative societies is the provision of short term loans or banking loans at a cheap rate and in European countries co-opera-

tive societies as a rule do not deal with long term loans which are dealt with by separate Land Banks or Mortgage Banks. Here it is impossible for co-operative societies to neglect long term loans altogether as it is generally found that when a member joins a co-operative society his creditors harass him and put him to court and in many instances it has been found necessary to begin with prior redemption of debts. In any case it does not seem desirable that co-operative societies should altogether neglect long term loans or loans for prior redemption of debts. But the general rule which should be followed is that when a society is started it should at first concentrate its attention on short term loans. They should not attempt long term loans before their ability to administer their funds and to enforce punctual payments by the members has been demonstrated. Of course exceptions would have to be made in cases where the creditor is troublesome and threatening and where owing to his admission to the society a member is unable to raise long term loans from any other source for an urgent and necessary purpose.

2. The necessity for maintaining a proper distinction between short term and long term loans has been felt by the Department for sometime. The question has recently come into prominence by the publication of the Central Provinces Committee report. The Committee has proposed that the business of co-operative banks should be divided into two departments, namely, what may be called its banking business, that is, short term loans; and its mortgage and money-lending business, that separate ledgers should be kept for the two kinds of loans and that societies should execute distinct documents preferably of different colours for two kinds of loans. The Committee considers that this division will enable co-operative societies to raise funds quite easily from commercial banks which must know for what purpose the loans are required and whether such advances are applied to productive loans of a short term nature. The Committee have further proposed keeping of separate ledgers and the execution of separate documents for these two kinds of business. Another important recommendation of the Committee is that different rates should be charged for short and long term loans and that cultivators should get finance for crops at a cheaper rate than for long term purpose.

3. There cannot be any question that this division will ultimately tend to improve the finances of the co-operative movement. Failure to repay short term loans on due dates will mean that the society, if there has been no failure of crop, has wilfully defaulted. Adherence to strict business

will thus be more easily enforced. Further advances in such cases should be curtailed and it will be possible to take immediate steps for the reconstitution of the society. It will be easy to gauge the progress of the society and to ascertain accurately whether the indebtedness of the members is decreasing or not. Societies and Central Banks will not experience any difficulty in forecasting their requirements for short term loans which will ordinarily be based on the expenses of cultivation of the total quantity of land held by members. In the case of long term loans the important point for consideration is as to the period which should be fixed for repayment of loans. As a rule the maximum period in Bengal is 5 years. It should be considered whether 5 years are quite sufficient to enable a member to repay loans out of the savings which he makes. A borrower's anxiety not to default *kist* or his eagerness to meet his obligations punctually is a valuable asset and if through wrong fixing of *kists* he is compelled to default he gets into the habit of defaulting and ceases to be a satisfactory member of a co-operative society. A very important factor in this connection is that a member must put forth effort on his part towards repayments of debts. Mere transference of debt at a lower rate of interest will not teach a member the value of thrift and self-help and the Committee on Co-operation have rightly remarked that in relieving debt without any corresponding effort on the part of the debtor there is a real danger of weakening his strength of character and thereby making him a less valuable member of a society than otherwise he was capable of becoming. A corollary to this that loans for repayment should not ordinarily be given except at a time when a member is naturally in funds from which he can make contribution towards his extrication.

4. Another important point in connection with the general question is the co-relation of short term funds raised by co-operative societies to short term loans and similar co-relation of long term funds to long term loans. Generally speaking deposits in co-operative societies are of two kinds—short term deposits and long term deposits. It is true that the greater portion of short term deposits are good lying deposits, that is to say, deposits which are not withdrawn but are renewed, but still in granting long term loans such short term lying deposits ought not to be taken into account in full. If the short term deposits are constituted into a separate business there will be no difficulty in attracting short term deposits and the Provincial Bank which is in an excellent position to attract floating money will be able to meet the requirements of Central

Banks which cannot be met from local capital. So far as long term investments are concerned a bank must look to its share capital and long term deposits and the main principle to be observed is that short term deposits must be represented by short term loans and long term deposits must be represented by long term loans.

5. The following questions should therefore be considered. -(1) how far it is feasible to maintain a proper distinction between short term and long term loans and maintenance of separate ledgers for the same; (2) whether different rates of interest should be charged for short term and for long term loans; (3) principles and conditions on which long term investments should be made; (4) extent to which "lying" short term deposits can be invested in long term loans on the analogy of the investment of a portion of current deposit in the ordinary business of a bank.

(f) Introduction of Charka and Flyshuttle Loom into Rural Societies.

(SUGGESTED BY THE COMILLA CENTRAL BANK.)

This subject has been suggested by the Comilla Central Bank, which, however, has not furnished any note on it. The idea no doubt is to provide a subsidiary means of income to the cultivators. The proposal may be criticized on the ground that charka is not economically sound and does not give a man a living wage. Against this view it may be urged that charka is not economically unsound since it provides a subsidiary income in season of enforced idleness and that it is not intended to give a living wage, but a supplementary wage especially for women and children. Whatever view may be held as to the soundness of the proposal for handspinning it is doubtful how far charkas can be taken up by ordinary credit societies. Credit societies are intended to serve a definite function and objects of a different kind should not be combined with the main objects of a credit society. It is, however, open to a credit society to finance its members for the purchase of charkas and raw materials for the purpose and if these members experience any difficulty in disposing of their yarn they may be brought into touch with co-operative stores by organisers or with weaving societies or a separate sale society may be formed for the sale of yarn. The flyshuttle industry may also be encouraged by the development of co-operative societies. It can be either (i) a subsidiary or (ii) a principal occupation. In either case loans for the supply of the necessities of this industry would be for a legitimate purpose.

PROCEEDINGS OF THE JOINT CONFERENCE OF THE DEPARTMENTS OF AGRICULTURE, INDUSTRIES AND CO-OPERATION HELD ON 12th, 13th, 14th AND 15th JULY, 1922.

The Joint Conference of the Departments of Agriculture, Industries and Co-operation of Bengal, was opened on Wednesday, the 12th July at Dalhousie Institute by His Excellency Lord Lytton, Governor of Bengal. There was a large and distinguished gathering including representatives of various districts in Bengal, both officials and non-officials interested in these departments.

The object of the Conference was to co-ordinate the three departments now under one Minister and to suggest lines in which these departments should work in view of their inter-dependence. The Hon. Nawab Syed Nawab Ali Chaudhury, Minister for Agriculture presided.

H. E. THE GOVERNOR'S SPEECH.

His Excellency in opening the Conference said :—

GENTLEMEN,

When the Hon'ble Minister in charge of the Agriculture and Industries Department was good enough to ask me to open this Conference, I readily accepted the invitation, as it gives me an opportunity of expressing my personal interest in matters which so vitally affect the economic and material advancement of Bengal.

Government has to be administered by departments and as a result of that system there is often a tendency to regard each department as a water-tight compartment and to treat the subjects with which it deals accordingly. That of course is not a correct attitude—all departments are parts of one Government and must be co-ordinated so as to assist each other in promoting the common welfare of the people for whom the Government as

a whole is responsible. The Hon. Nawab Sahib has realised the value of this principle in summoning this Conference of representatives of the three departments under his charge. * The titles of the papers which are down on the agenda for discussion, indicate how these three departments are and must be co-ordinated.

I do not propose to show in detail how practical effect has been given to this principle of interdependence or to explain at length the work of the departments during the past year or their programme for the coming year. I leave that to the Hon'ble Minister who can speak with much more authority and who has the success of the work he has undertaken so much at heart. I should however like to say a few general words about the work of these three departments.

CO-OPERATION.

First with regard to Co-operation. Co-operation in Agriculture is a subject which I have studied with interest for many years. The country where perhaps it is most fully developed is Denmark, which is essentially a country of peasant proprietors who cultivate their land on very complete co-operative methods. Beginning with the education in their primary schools agriculture is taught and practised in that country in a very elaborately organised manner so as to provide the small farmer with all the advantages of the wholesale dealer in the matter of credit, capital, production and sale. In Ireland again co-operative principles have been introduced in recent years with great success among the small farmers who have acquired their own lands under the various land purchase acts. Credit Banks, co-operative granaries and other organisations have been established so that men with small means of their own can obtain the capital to buy the machinery or other stocks which they require and secure the advantages of wholesale prices. In England our tenant farmers have shown less disposition to adopt co-operative methods and in agriculture therefore the movement has not made much progress. Amongst the population in industrial areas, however, co-operative methods for the supply of the necessities of life are very extensively adopted. Some-

thing like one in every three of the population is a member of a co-operative society and the funds of the co-operative wholesale supply associations run into millions of pounds. I am delighted to learn that in India the principle of co-operation has taken root and that the prefix 'non' is not always to be found before that word. As was natural the first object of the movement was the provision of cheap credit. This branch of the subject has now been developed into a very considerable organisation with primary societies at the bottom and at the top a Provincial Bank, to serve as a link between the movement and the money market and as an agency to bring together the financing of agriculture and of industries. I am glad to hear that the Bank is reported to be working well and it is fortunate in having secured as its Chairman Raja Hrishikesh Laha and I trust that under his guidance it will continue to carry out its functions prudently and wisely.

I am told by the Registrar of Co-operative Societies that the movement is spreading in other directions, that there are now in Bengal alone about 7,000 societies with a membership of 250,000 and a total working capital of about 4 crores. I wish every possible success to the movement which I regard as vital to the prosperity of an agricultural country like this.

AGRICULTURE.

Next let me say a word about the Agricultural Department.

It is unnecessary for me to point out what a great future this Department has before it in a Province like Bengal, where the population is almost entirely dependent on the land, and it is already giving evidence of what is possible. But progress must necessarily be slow and gradual and to a great extent dependent on the amount of money that can be placed at their disposal.

One of the many problems, which they have to face and which they have already taken in hand, is the improvement in the breed of cattle. It is only comparatively lately that the importance of this subject has been recognised and the experiments at Rangpur seem to have been satisfactory so far as they have gone; but it is hoped now to extend the operation so as to make the results of the experiments available to a wider circle. Hitherto

perhaps too much stress has been laid on the improvement of cattle for drought purposes and the value of improving the breed of milch cows has perhaps been somewhat overlooked. What we must aim at is to evolve a breed, of which the male will be a better plough bullock and the cows better milkers.

The demand for milk and dairy products in Bengal must be very large and the Department is devoting part of its energies towards the development of the dairy industry. Another difficulty of course is the lack of pasture, and the possibility of introducing fodder crops into the rotations is already receiving attention from the Department.

As a result of a conference held some fifteen months ago a definite policy has been adopted for the promotion of sericulture. The Department's researches have resulted in the production of seed comparatively free from disease and this they are supplying to professional rearers and thus encouraging and helping them. The Government nurseries are also becoming demonstration and teach-centres which is an even more valuable function.

But besides this work of production the Agricultural Department in Bengal is undertaking the distribution of seeds and manure. In England such distribution would be done by private agencies and the Department of Agriculture would be concerned only with research work. That I think is the proper function of a Government Department and I hope that before long the Hon'ble Nawab's Department will be able to drop the work of distribution and devote its attention to improving existing methods and to evolving new processes. With this object the Director of Agriculture is endeavouring to create and encourage private agencies to undertake what is now being done by the Department and I hope that individual firms will soon come to realise that in such a business there is a profit to be made for themselves as well as a service to be rendered to the agricultural community.

Agricultural education in all its branches is I know engaging the Hon. Minister's anxious attention. Schemes have already been prepared and I hope that, if money is voted to finance them their results will fully justify the Hon. Minister's expectations.

IRRIGATION.

The question of irrigation also for agricultural purposes is one that has been taken up with enthusiasm by the Nawab, and the application of co-operative methods to that problem is being tried in three of the West Bengal districts and the Council have been asked to vote money for experiments with tube wells and pumps and for provision for an Agricultural Engineer.

Finally let me turn to the Department of Industries. This department set itself in ambitious programme, comprising the development of the industrial growth of the Province and the appropriate education of those who will be able to play a part in that growth. It is unfortunate that it should have been handicapped at the outset by the financial embarrassment of Government and by the depression in industrial conditions. These are matters over which we have no control, but they have increased the necessity for patience in awaiting results. It is also necessary to bear in mind what are the legitimate functions of Government in such a matter. Government should not undertake industrial or trading operations or spend public funds in competition with private firms or individuals. All that a Government Department can do is to undertake research and experimental enterprises and to place the results of their labours at the service of the industrial community with a view to the improvement of the industries of the country, the establishment of new industries for which the district is suited, or the development of resources hitherto untouched. In this direction the Department has a wide scope for its activities and I have no doubt that they will be wisely guided by the Hon'ble Minister and his advisers.

I have studied the papers which will come up for discussion before you. You have a full and interesting programme of work. I shall, therefore, not detain you longer, but I shall conclude by wishing you all success in your deliberations.

The Hon. Minister for Agriculture then thanked His Excellency for kindly opening the Conference and for the words of encouragement given them.

His Excellency acknowledged the thanks and requested the Nawab Saheb to take the chair. His Excellency then left the Conference.

The Hon. Nawab Syed Nawab Ali Chaudhury then took the chair and welcomed the gentlemen present.

THE HON'BLE MINISTER'S SPEECH.

He said :—

It gives me great pleasure to accord you a hearty welcome to this conference. It was in March, 1921, that I convened the 1st Joint Conference of officials and non-officials and the deliberations of that body were so helpful to me in the planning of my future line of work and policy that ever since I have been a strong adherent to the practice of inviting the co-operation of non-official gentlemen in my Committees, Boards and Conferences. In these days when the administration of the transferred departments is in the hands of Ministers responsible to the people of the country through their own Legislative Council it is only fair that the people's voice should have a proper place in all deliberations concerned either with the question of policy or of important details. Herein lies the principle underlying the practice and this is the soundest method by which the departments can come in intimate contact with the people, exchange idea with them and establish an atmosphere of mutual trust and understanding. All the departmental details are laid open for inspection and criticism are invited thereon with the full expectation that the spirit of construction will be the chief limiting factor of the discussions. So successful have been our past conferences of mixed official and non-official elements that many of our advisory bodies have been reconstructed on the mixed lines.

During the last year several mixed conferences or meetings were held. Whenever it was found desirable to venture into a new scheme or change the policy to any appreciable extent, a joint conference was called, composed of officials and representative non-officials interested in the various aspects of the problem. The question was then put to the body, discussed from all points of view and criticism invited with the object of finding out the right solution of the problem involved. It has always been the policy of the Government to keep in constant touch with the public opinion and I have pleasure to say that in all cases the non-official gentlemen were the most forward to support the desirable

schemes. The task of substituting an improved method of cultivation or manufacture requires a great deal of patient toil to bring it to completion and specially so when the people are so much inflicted with poverty and ignorance. It takes time and to belittle all our endeavour as useless without giving it a fair chance is by no means helpful as it surely tends to damp our spirit. If one aims at finding the real value of an improvement let him not judge it by isolated failures or successes but let him be fair and compute the net results by all our pluses and minuses taken together.

Gentlemen, we are now passing through a time of great economic strain. The past war conditions prevailing all over the world have also swept over our country with the result that everywhere there is a rise in the cost of living. A great struggle for existence is really going on and it is to the interest of every one of us to organise all our resources and bring the combat into a successful close. All classes have been suffering considerably and the only solution of the problem is to improve our agricultural and industrial production to their maximum limit with the minimum of expense, both of money and energy. Our country is a primarily agricultural one and most of our industries are related to our agricultural produce. The improvement of agriculture is therefore necessary to feed further industrial developments and the improvement of the local industries is essential to utilise our raw products for manufacturing the finished products. The two therefore are practically inseparable from each other. The people are very poor and badly in need of money both for improving their agriculture and manufacturing the finished products. The development of agriculture and industries as suggested above will not only better the condition of the masses but also be instrumental in solving the question of middle class unemployment by opening new channels of profitable occupation. The education leading to the respective vocations will greatly help those who are not willing to go in for purely literary and professional studies. Ordinarily the village *Mahajan* is the financier of all their projects and usually takes the lion's share of the profit. The capricious seasons and the fluctuating trades and industries often make them an easy prey to their usurious

moneylenders and the only salvation lies in the adoption of the co-operative principles. In the conference of April, 1921, it was decided to accept as the primary principle of all our work that the activities of the allied departments mentioned above should be co-related to one another in an intimate way, thus ensuring a better production of raw materials and their better utilisation for manufacturing purposes. It is on this co-relation between these three important nation-building departments, that the future of the country will largely depend. I am glad that in the agenda there are several items for discussion relating to this co-relation. There are practical difficulties in the way of this combination and I would request you to consider the various aspects of the problem when making a recommendation for such an unified action. In many of our past conferences we had discussed the question and I shall expect from you some additional suggestions thereon. It would not be going too far if I point out that there should be the closest co-operation not only between the deparments under the Ministry of Agriculture as also between this and the other Ministries. It is as futile to talk of the agricultural department acting with no reference to the departments of Industries and co-operative credit as it is to say that the best interests of the country can be served by improving either agriculture or sanitation or education irrespective of each other. The three ministries can never be considered as isolated units but only comes agriculture and industries in relation to the Department of Sanitamain pivot on which the condition of our country is being balanced is poverty. The people are underfed and as integral parts making a whole. They are underclothed and naturally fall an easy prey to the ravages of any disease that may happen to visit them. Feed them well and you will improve their vitality and resisting power. Flood the country well and you drive malaria and improve the irrigation and drainage at the same time, a factor that is bound to improve agriculture as well. Let us have plenty to eat and we can think how to educate our boys better and the more education we get the more we can think how to improve agriculture, or industries to a better advantage. The first step therefore practically in all our progress is agriculture and indus-

tries and the education leading to these vocations. We have decided the question of agricultural and industrial education in two of our last conferences and we have another question before you to-day to discuss how best to organise a systematic course for training mechanical apprentices.

LAST YEAR'S WORK.

In to-day's conference we have a cut and dried programme of discussion but I think before we go on with our work it would be better to say a few words on our last year's work. The work of the ministry can roughly be divided into two parts, namely, (1) the question of policy and (2) the matters of detail. About the latter, namely No. 2, you will soon get all the facts and figures, published in the departmental annual reports and I do not therefore propose to take much of your time in enumerating them. As regards the question of policy, I have already mentioned that the fundamental principle of my ministry is the co-ordination of the several allied departments of Agriculture, Industries, Veterinary, Fishery and Co-operation and the avoidance of all unnecessary duplication of work and functions. With this object in view many adjustments have been made in the internal workings of the departments concerned. In the second place, it has been accepted as the principle that the staff should be adjusted, economy and efficiency being the fundamental basis of adjustments. Many new appointments have been made, that are absolutely necessary for the betterment of the work and the departmental expansions but in no case has the slightest redundancy been allowed. In the Department of Industries for example, an Industrial Chemist, an Industrial Engineer and an weaving expert have been appointed. In the Department of Agriculture, endeavours are being made to appoint an Agricultural Engineer, one cattle-breeding expert and a special officer has been appointed to look after agricultural education. Two Deputy Directors have also been sanctioned. An effort is also being made to secure the service of a Fishery Expert whose duty it would be to organise our Fishery Department and everywhere the subordinate staff has been reinforced, wherever the best interests of the work demands it. The efficiency of the sub-

ordinate is also being looked after and every effort is being made to turn out better men for these posts by offering prospective candidates facilities for proper training whenever possible. In the selection of the staff special attention is being paid to the practical side of their work.

During the last year several changes have been made in the departmental policies. In the Sericultural Section for example, the main change has been in the organisation of the silk committee. This body has now been thoroughly reorganised and popular representatives included therein to a much greater extent. The old policy of supplying disease free seed cocoons to the rearers of commercial cocoons has been supplanted by the new policy that in future all the departmental seeds should be supplied primarily to the rearers of seed cocoons and every encouragement given to him to build up an independent seed supply trade under ideal conditions of sanitation and thus to increase the production to at least a 100 times more without incurring any additional expenditure. The subject of sericultural training has been discussed in one of the conferences and it has been accepted as the policy of the Government to establish sericultural secondary and elementary schools. In the Department of Agriculture several changes have been made. The activities of the department have been expanded in my new direction and it may be well worth to mention a few. In the conference of March 1921, it was decided that an agricultural survey should be made and a systematic plan for the same is being prepared. The survey will be a scientific one including the district soil, crop and other agricultural conditions and will embrace practically all the aspects of agriculture in the districts with special reference to the possibilities of expansion and improvement. When it is finished, as I hope it will soon be, we shall have no more to put the cart before the horse and recommend an improvement in any locality without knowing exactly the conditions prevailing therein. I am afraid, I shall have to admit, that in the past, several of our recommendations did not obtain a thorough footing in some places owing to this factor though in other more favourable places those very recommendations have been highly successful. The survey will help us

considerably in the proper organisation of all our departmental work, e.g., seed distribution and production, irrigation and drainage, cattle improvement, organisation of various rural associations on co-operative lines for the improvement of agriculture, etc. In places where we know the details some associations of this type have already been started and are showing signs of healthy progress. During the year three other questions of great importance have been taken up. The question of agricultural education, which is practically a new venture, was discussed thoroughly at the first meeting of the reconstituted Board of Agriculture and as the result of these discussions, it has been accepted as the policy of the Government to divide the lower grade education into secondary and elementary. The first section is at present being represented by the schools at Dacca and Chinsura, where boys are taught in the principles of advanced agriculture with the help of lectures, discourses, excursions and practical work, the entire curriculum being adjusted to the needs of a really practical farmer living in rural areas, entirely self reliant and fit by his training to handle any ordinary problem that may arise in the practical field. The success of these schools have led us to decide that two more schools of this type may with great advantage be opened at Rajshahi and Rangpur and efforts are being made to open them as soon as funds permit. The elementary agricultural education, meant for the rural cultivators' sons will be represented by the proposed farm schools, about 20 of which we hope to start during the current year. Public help to the amount of nearly Rs. 50,000 in the shape of lands, buildings, equipments, etc., have come forward towards the establishment of these schools which will be opened in the small demonstration farms that it is the policy of the department to open under responsible demonstrators in rural areas with a preponderating cultivating population. A special officer with high educational qualifications and a great deal of previous district experience has been appointed to look after the schools and to organise them from the very start on sound lines.

Another problem of importance that we have tried to solve is the cattle problem. In the conference of the Departments of Agriculture and Industries held in March 1921, it was decided that

the question of cattle improvement should be taken up in earnest. In accordance with the policy laid down in that conference, start have been made to organise the work. Experiences of the Rangpur Cattle Farm have gone to show that while the local cattle may with judicious breeding and proper feeding be improved considerably even within a comparatively short time the much quicker process is by crossing the local cattle with an imported sire of superior strain. In Rangpur the Hansi-Hissar Bull was adopted as the standard type for crossing the local breed but it was decided in the conference to have several other breeds tried in other localities. The province has therefore been divided into three main divisions and the breed of Hansi-Sindhi and Montogomari have been adopted as the standard for Northern, Eastern and Western Bengal respectively. In the district farms we are keeping breeding bulls of the types adopted, and it is expected that this procedure will quicken the progress to a considerable extent. Provision has been made in the supplementary budget for the appointment of a cattle breeding expert. We are on the look out for a capable man who can systematise the entire field of work and I hope that before long we shall have a good deal of materials to base our future activities upon. I need not go into much detail just now but wish to say only that the lines on which we want to elect the bull are (1) the size of the breed, (2) their milk yielding and draught capacities, (3) their power to adapt themselves to the local conditions, (4) their power to stamp upon their progeny those desirable characteristics for which they are so much valued. The question of raising fodder and preserving it which is also closely connected with successful cattle improvement is receiving our closest attention and the item has found a place in both the experimental and district programme of the department's work. We are also trying to open two dairy schools in the province and in the secondary schools in the province dairying has found a prominent place.

IRRIGATION AND DRAINAGE.

Another important item in our work is irrigation and drainage. In the second meeting of the Provincial Board of Agriculture the question was discussed at some length and in accor-

dance with the suggestions put forward therein, we are going to take up the chief tract of Bengal that is in sad need of irrigation, namely the districts of Bankura, Birbhum, part of Midnapur and study the problem there on the spot. Co-operation offers a great scope of work in this line as will be seen from the reports of the various co-operative irrigation societies and I shall be glad if you kindly favour us with some practical suggestions. The main lines in which irrigation may be taken up are (1) repairing of existing tanks; (2) construction of dams across natural channels and regulating the water supply; (3) excavation of canals and drains. There is no doubt that private efforts are highly desirable but the scope of the co-operative department is almost unlimited in this line. It is easy to control registered societies but not so in the case of private individuals.

At present we are seriously handicapped for want of an Agricultural Engineer who can tackle the question with a professional ingenuity. I expect to get one soon but in the meantime I shall be glad to know if you also feel the want.

The question of sinking tube well has attracted much public attention in recent times. I may mention here that we took up the matter a year ago and have got a few such wells in our farms. The tube wells are admirable sources for supplying drinking water but we have still to find out their economic possibilities for irrigation purposes. The difficulty is their initial cost. A $2\frac{1}{2}$ inch tube will cost nearly Rs. 4,000 and supply enough water for irrigating an acre of land in 8 hours equivalent to about 1 inch of rainfall. The bamboo tubes as used in Japan will, if successful in Bengal, open a new era. In connection with the agricultural development of the country, there is one question in the agenda namely the organisation of an independent seed supply agency. It is well known to you all that the department has raised some selected seeds and has proved to the people their distinct superiority but the more the people appreciate these seeds, the more unable is the Government to supply the enormous demand as some arrangement has to be made whereby private growers may be encouraged to raise the seeds locally under favourable conditions and meet the increased demand. It is gratifying to note that at present we have 52 organisations raising such seeds

and to me it appears, that properly organised, co-operative seed raising societies may have a great scope. There are difficulties in the way of establishing a seed tr. de in Bengal and I request you all to decide what steps should be taken to remove them. Once established, seed farms may well be a profitable occupation to many middle class men.

My policy regarding the various crops is well known to many of you. I am greatly in favour of appointing special officers for each crop of importance, who can devote their whole time to the problems, agricultural and economic, in connection with the crops. We have the Fibre Expert for Jute, the 1st Economic Botanist for paddy, the 2nd Economic Botanist for cotton, and I have in mind to depute officers for sugarcane, tobacco, and date palm as soon as circumstances permit. The introduction of better varieties from other places, the selection and hybridisation with local types and the trial of improvement under various local conditions will be their main work.

Incidentally in this connection I wish to make a reference to my cotton policy and give you an outline of our work. One of the Calcutta papers observed sometime ago that cotton had been banished from the departmental programme probably because it was the cult of the non-co-operators. I wish to say that far from banishing cotton from our programme we had been working hard on it. Mr. D. Datta, the 2nd Economic Botanist has been entrusted with the cotton experiment work in collaboration with Mr. Hector. A cotton survey is being made and serious endeavours are being made to find out a type that would suit the conditions of our country and stand in competition with the imported staff and with other highland crops at present yielding more. Seeds of the Dharwar America type (the most suitable variety as far as we know) were offered to the people but at the present time cotton cultivation does not appear to be in great favour with the cultivators who seem to think jute to be more paying. This is not only our experience but that of the congress-workers as well who tried to distribute seeds this year in the rural areas. I am too anxious to do something for the crop and with the object of getting proper advice, I have formed a Provincial Cotton Committee composed of experts and non-officials. As regards charka

spinning I have on many occasions declared that though I do not believe that the salvation of the country can be attained by this alone, yet I do hold that, adopted as a side industry in spare hours or by those whose present occupation do not require the entire time at their disposal, it may exert a great influence on the economic development of the country's clothing industry. I have asked the Industries department to take up charka spinning and handloom weaving and the co-operative department to organise societies among weavers to put them on a sound financial basis. On the agenda the question of charka spinning has found a place.

DEPARTMENT OF INDUSTRY.

Gentlemen, I now turn to the department of Industries. It is a new department altogether in Bengal and considering the handicaps that a new organisation has necessarily to work under, it has done very well during the year. The Director of Industries has, during the year, been helped by an advisory Board, composed of officials and non-officials with wide experience on public matters of industrial importance. In the conference held in April 1921, the whole question of industrial development was discussed. It was accepted as the policy of the Government that it could not enter into any commercial enterprise itself unless of the pioneer class or in competition with private parties but it would be the duty of the Industrial Department to keep the parties by supplying them with facts and figures and assisting them generally with any expert advice that they might happen to need. A great deal of interest has already been created by the departmental officers in many localities and the demand for correct and unbiased information is growing bigger and bigger. Courtesy and consideration have been the watchwords of the department.

In Bengal most of our industries are connected with agriculture and the two departments have therefore to work hand in hand at every step though it has been decided for practical purposes that industry commences where agriculture ends.

It has been my ambition to revive the cottage industries and

to help them with all assistance in our power. The men employed in these industries are poor and generally in the hands of the *Mahajan*. The co-operative department is trying to organise societies among them (1) to help them with money necessary for an improved production of the stuff; and (2) to help the better distribution of the products through the sale societies. An up to date survey of the cottage industries of Bengal is being made.

The main principle on which the department is working may be summarised as follows :— In my memorandum for the conference of April 1922, I clearly explained that with respect to the bigger concerns Government could not do much. It is in the case of cottage industries and those on a small factory scale established in rural or semi-rural areas that we could render substantial help. We have actually commenced to do it and brought to the aid of the industrial members of the community such facilities as it can best command for helping them in their endeavours and reducing the element of risk in private industrial enterprise as far as possible.

The Department of Industries from the time it came under my charge has been occupied chiefly in investigating and exploring the practical possibilities of our industrial resources and completing its preliminary organisation with the object of collecting as much facts and figures as are available to discover the potentiality of our resources to provide for the supply of skilled labour and trained experts for manipulating the various processes and to facilitate the establishment of factories etc., by supplying information etc. A few concrete examples may not be out of place. The Calcutta Research Tannery for instance has made considerable progress in investigating the various tanning materials of the province, in improving the local leather industry, and in evolving methods for the manufacture of glace kid leather under Indian conditions. The value of its work has been acknowledged by competent authorities and information based on the results of its researches are often asked for and in many cases practically applied in other places. The Calcutta Research Tannery is but one example of the most useful way in which Government can aid a widely practised industry. It is also hoped

that in the near future, the possibility of utilising tannery waste products for the successful manufacture of glue, and the production of vegetable tanning extracts will also form a part of its successful researches.

Another industry with a probable future before it, namely match making has attracted considerable attention. The department is exploring the definite possibilities of the local forests as a source of wood for this industry and it is hoped that before long we shall be in a position to supply all the necessary informations required for its manufacture.

The department, in collaboration with the Agricultural Department has formulated a practical scheme for the establishment of a cigar factory in Bengal in close proximity to the tobacco producing areas, round Rungpur with the object of demoustrating the value of this industry. The Agricultural Department has successfully demonstrated the prospects of this line of work on a small scale and now its industrial aspect will be taken up.

Many other avenues to the exploitation of the material resources of the province are under investigation.

The question of technical education had been seriously taken up by the department. Industrial schools with facilities, for training boys in handicrafts, such as carpentry, blacksmithy, tinsmithy, etc., and technical schools equipped with all modern machinery for imparting standardised practical and theoretical training in the element of applied mechanical sciences will fit them for an apprenticeship in a big industrial concern. There is also a scheme for the establishmeat of a large up to date weaving and dyeing institute at Sermpore for imparting practical training in all the branches of the textile industry and it is hoped that it will be put into a practical shape within a very early date.

A Board of Control for apprenticeship training composed of representatives of the leading engineering bodies, firms and railway locomotive workshops in the province has been formed with the object of organising and improving the existing facilities for apprenticeship and to develop the technical training of apprentices. Plans for the proposed Technical Institute at Calcutta have matured and it is hoped to commence the building opera-

tions at a very early date. It will be admitted by everybody that these are serious endeavours to provide a channel of employment for the middle class. Much good work has already been done in the way of demonstrating superior methods based on the results of our experience. Demonstrations had been arranged in regard to weaving and tanning during the last year as a result of which a widespread demand has arisen for similar demonstrations. It is expected that we shall soon be able to organise two permanent demonstration parties one in weaving and the other in tanning.

The advice of the officers of that Department had often been sought in respect to numerous factory problems. Now that an industrial chemist and an industrial engineer have been appointed we hope to give a substantial assistance in all directions.

The department has also taken up the question of establishing small pumping plants for irrigation purposes and a small portable pumping set has been installed at Berhampore at an approximate cost of Rs. 2,000 capable of irrigating 100 bighas of land per week with 2" of rainfall.

The financing of industries offers the greatest problem in our country. Private capital is rather shy and Banks also not very forward. In the smaller industries co-operation appears to be the only solution though this also has had offered many difficulties. At the outset the Central Banks may cope with the work but as the work expands, Industrial Unions may have to be started. In the first conference of officials and non-officials held in April 1921 it was decided that Government should guarantee a certain percentage on the working of these unions. It is for you to decide to-day whether, in view of our past progress in the line we should expand the process.

The question of establishing co-operative sale and supply society was fully discussed in the conference of April 1921. In to-day's agenda we have the question of establishing a sale depot for the sale of the products of co-operative industrial societies. Nothing appeals to me more than any line aiming at the improvement of the small industries and I shall be glad if you discuss in this conference the question of Government aid to a sale depot, if established and let me know your views to base my decisions on. I am fully of opinion that such a depot is necessary.

Gentlemen, I must apologise to you for the time I have taken to deliver my lengthy speech. It is one of the few rare occasions on which we have chance to come together and it is only my earnest desire to keep you informed of all that is being done and our difficulties, that has prompted me to explain the situation so elaborately.

We are trying our best and the first we had last year with the financial stringency was by no means a small matter, with the betterment of the financial position however we hope to get some grant this year, without which nothing will be done. It is also to the council that we have to look forward for our financial grants but I am sure that the cause is so just and reasonable that no one will probably refuse us his helping hand.

Gentlemen, in my places I have given my opinion on the subjects concerned but I can assure you that I have still an open mind and you are free to discuss the problems in any way you like and your findings will receive my closest attention.

I again thank you for your kind presence here and hope that this conference will keep up the tradition of the past in every respect.

SUBJECTS FOR DISCUSSION.

The President announced the formation of Sub-Committees to thresh out the following subjects on the agenda preliminary to being placed at the Conference which will resume sittings on the 14th instant.

1. Financing Industries.
2. Possibility of the development of Chemicals and Allied Industries in Bengal.
3. Vocational Education.
4. Tube Wells.
5. Organisation of the Co-operative Agricultural Association.
6. Agricultural Seed Industry.
7. Cattle Breeding Policy in Bengal.
8. Relation of the Industries to the Co-operative Department Financing of Industrial Societies and formation of Industrial Unions for Banking and other purposes and desirability of

starting an agency or depot in Calcutta for the sale of the products of Co-operative Societies.

9. Formation of Irrigation Societies.

10. Financing of the Co-operative Societies -- long and short term investments.

11. Introduction of "Charka", Fly-shuttle looms into Societies.

The Conference then adjourned.

After the conference was opened last Wednesday, eleven sub-committees were formed to deal with the various subjects coming within the scope of the conference. The sub-committees devoted the whole of Thursday to a consideration of the subjects and drew up recommendations which were placed before the conference for discussion and final approval.

The first subject taken up yesterday was the organisation of Co-operative Agricultural Associations. The report of the sub-committee on the subject, among other things, stated that they were of opinion "that a great many of the existing Agricultural Associations were of little practical value and that many of them are moribund. The reason for this is that these associations have no funds at their disposal, and, in the second place, individual members have no financial stake in the Association. The committee are, therefore, unanimously of opinion that an attempt should be made to organise Co-operative Agricultural Associations on a co-operative basis."

Mr. G. S. Dutt moved the following resolution :--

"This conference is of opinion that more agricultural associations when started with a definite object in view may prove useful, and an attempt may also be made to organise Agricultural Associations on a co-operative basis."

After the resolution had been seconded, Mr. Baroda Prosad De, Chairman of the Hooghly District Board, said that the report had rightly said that the existing agricultural associations were of little practical value. They had known District Agricultural Associations which had been formed with the District Collector as the President, with whom were associated members of the District Boards and the public. Such associations should be formed in the jurisdiction of each *thanak*, in order that the

villagers might be acquainted with the different methods that existed for the improvement of agriculture. The speaker added that he was not in favour of the formation of too many Co-operative Agricultural Associations.

Mr. Dutt's resolution was lost, 26 voting for and 34 against. After some discussion, the Sub-Committee's report, with certain slight modifications, was adopted.

SEED INDUSTRY.

The Conference then considered the report of the Sub-Committee on the "Agricultural Seed Industry."

The committee's report contained the following :—

With regard to the first two subjects of plant breeding research and demonstration, the Committee think that no suggestions are needed, as the policy of the Department has already been clearly defined in these two matters. They recognise that the work of the discovery of new and the improvement of existing varieties of crops may for the present be left to the expert officers of the Department to be carried out in the Government Farms. The system of demonstration through the agency of demonstrators under the supervision of the superior officers of the Department is also now well established. The Committee would, however, emphasize the desirability of testing and proving the utility of any improved variety of seed in a particular area before its reproduction by means of seed farms is attempted.

There remains the important subject of reproduction and distribution of the new or improved varieties of crops. Here also the policy of Government is sufficiently well defined and all that the Committee propose to do is to offer a few suggestions regarding the carrying out of the policy. Two points require special attention :—

It ought to be more profitable to grow the improved seed than ordinary seed from the point of view both of the producer and the cultivator.

The improved seed offered should be beyond reproach as regards purity and germinating power.

There is the further question of the distribution of the seed after its reproduction. This is done at present through Govern-

ment seed stores. The Committee are of opinion that, while it is desirable to have this work done by private agency as far as possible, it will not be possible at present to dispense with the existing Government seed stores. With regard to the second point, the Committee think that some steps are necessary to ensure the purity and germinating power of the seed.

Mr. P. Sen, Deputy Magistrate, said that complaints had been heard about the quality of the seeds that were distributed by the Government. He suggested that steps should be taken so as to ensure that the seeds sent by the Agricultural department should reach the cultivators in their original condition.

Mr. G. Evans, Director of Agriculture, said that when he came to Bengal he was astonished to find that the whole of the seed distribution work was being done by the departmental officer. It had resulted in a good deal of wasted time. After consultation with the senior officers of the department, it was decided to start a system of private seed farms which would act as adjuncts to the Government District farms. Mr. Evans in conclusion emphasized the importance of public assistance in this direction, without which the work of the department would be seriously handicapped.

The following resolution was passed :

"The conference in accepting the committee's report is of opinion that it is very important to develop a private Agricultural Seed Industry and that the Agricultural Department shall arrange to test seeds offered by private dealers on payment of fees and grant certificates."

The conference then took up the consideration of the report of the sub-committee on "Cattle Breeding policy in Bengal." The committee's report stated that in this connection, they had considered the operations and experiments which the agricultural department had in hand and also the purchase and distribution of breeding bulls by the District Boards and Civil Veterinary Department. They had also considered the present methods and future policy. It would appear that, at present, two lines of experiment were being carried out - breeding from cross-bred country bulls with cross-bred country cows and breeding from pure Hissar bulls with cross-bred country cows.

After considering the two methods, the committee had embodied the following three suggestions :—(i) that one policy of cattle breeding be adopted at the farm instead of two; (ii) that rural cattle-owners be conducted round the farm periodically to show them the improvements already attained, and everything possible done to encourage owners to come and see for themselves; (iii) that a certain number of good cows and bulls be distributed free among local cattle-owners to stimulate interest and demonstrate practically the benefits of care in breeding and feeding cattle.

The committee gave it as their opinion that the problem of the improvement of cattle in Bengal was of such great importance and magnitude that it was incumbent on the Government to appoint a Standing Committee to be called the Cattle Improvement Commission to look into all questions of cattle improvement, both as regards the present policy and the necessity of instituting an improved or entirely new policy.

A resolution, moved by Rai A. C. Banerji Bahadur, to the effect that the conference accept the proposal for the establishment of a Cattle Improvement Committee and that various recommendations made by the sub-committee be referred to that committee when it is formed, was passed.

Mr. S. G. Hart, Collector of Burdwan, moved that "this conference recommends that the Government be moved to have an amendment inserted in the Village Self-Government Act so as to provide power for Union Boards to take measures for the improvement of cattle of the unions, whether by keeping stud bulls or in any other way." The resolution was carried.

The Sub-Committee's report was adopted unanimously.

CHEMICAL INDUSTRIES.

The next matter to engage the attention of the conference was the report of the sub-committee on the "Possibility of the development of Chemical and Allied Industries in Bengal." The committee had drawn up the following recommendations :—
 (1) That the manufacture of sulphuric acid, being of such vital importance in the development of most chemical industries,

should be expanded to a much greater extent than at present. (2) That, as there is a large demand for such pigments as white lead, red lead, red oxide of iron and zinc white, the raw materials being readily obtainable, the establishment of such industries in Bengal be undertaken. (3) That such alkaloids as strychnine, caffeine, and nicotine, etc., for which raw materials are readily available in India and for which there is a large demand both here and abroad, be manufactured. (4) That the manufacture of starch and dextrine be enlarged. (5) That the manufacture of pure and industrial alcohol from Mowha, as well as alcoholic pharmaceutical preparations be developed. (6) That the extraction and uses of indigenous oils be carried out on a more extensive scale in view of the increasing demand for soap, candles and glycerine. (7) That efforts should be made in the further development of such important industries as paper-making, matches and canning, for which Bengal seems to possess sufficient raw materials and facilities. (8) That, in order to assist the development of these industries, it is desirable that an Industrial Research Laboratory should be established in Calcutta as early as practicable.

Dr. N. C. Sen Gupta said that, in order to assist the development of chemical industries, it was not enough to establish an Industrial Research Laboratory. Something definite should be done for their encouragement.

Professor P. Mukherji suggested that the Calcutta University, which had an up-to-date laboratory, should be asked to undertake research, with the help of the departmental experts. This would obviate additional expenditure.

Mr. A. T. Weston, Director of Industries, said that what was aimed at was that the small manufacturer, who was handicapped for want of funds to equip a laboratory of his own, should come to the Industries department which would help him with valuable information.

The conference adopted the following resolution:—"That the report of the Sub-Committee be adopted and the Board of Industries be consulted as to the best means of giving effect to the specific recommendations of the Sub-Committee."

The conference first considered the report of the Sub-Committee on the "Financing of Industries". The report recommended "that the Government should take necessary legislative steps to vest the Department of Industries with larger powers in order to enable it to deal more effectively with references and complaints from industrial concerns in connection with transport, communication, power supply or administration, especially in regard to the operation of large organisations that in many cases enjoy a monopoly."

In moving the resolution Mr. S. C. Roy said that the committee in the course of their deliberations had been impressed by the fact that, in many cases, the Department of Industries was helpless to help industrial concerns. The department was held responsible for the development of industries in the Province, but they had not the necessary power. The only thing that they did at present in the majority of cases was to advise and, sometimes to recommend, the cases of those who ask for help to the kind consideration of those who could help. It was necessary to strengthen the hands of the Minister in charge of the department, so that, in cases where it was thought that an industrial concern was deserving of help, the department would have the power to do so. The resolution indicated the direction in which help might be given. The department might then help the struggling industries of the Province, especially in cases where such industries were in conflict with large industrial concerns.

Mr. S. G. Hart seconded the resolution and Sir Nilratan Sarkar moved an amendment, adding the following to the resolution after the word "monopoly":—"To appoint a small advisory committee on which the Indian industries should be adequately represented to sit with the Coal Transportation Officer."

CHARKA SPINNING.

The resolution, with the amendment, was carried.

The conference then discussed the report of the sub-committee on the "Introduction of *charka* and fly-shuttle looms in co-operative societies." Among the various suggestions that the

report contained was the following :-- "The committee recommend to the Government that they issue a *communiqué* supporting the introduction of *charka*, as one of the principal home industries in Bengal, declaring that spinning by *charka* and weaving of homespun cloth will not be looked upon with disfavour by Government officials."

Rai Bahadur Indu Bhushan Bhaduri, in moving the adoption of the report, said that there was an impression in the public mind that the Government was against the introduction of the *charka* and the wearing of *khaddar*. Therefore, a *communiqué* like that suggested was necessary.

Mr. S. G. Hart said that *charka* spinning was rather tedious, but he was in favour of hand-loom weaving. The non-co-operators deserved credit in that they had given an impetus to this industry, although it could not be said that it had benefited the weaver to a great extent.

Mr. G. S. Dutt protested that District officers were not against the *charka* or hand-spun cloth.

Mr. J. T. Donovan supported Mr. Dutt.

The original report, with minor amendments, was adopted.

The conference then considered the report of the sub-committee on "vocational education." The schemes for apprenticeship training and for junior technical schools combined with industrial classes were explained and the committee's recommendations were adopted.

The next item was the recommendation of the sub-committee on "tube wells." The Japanese system of tube wells was considered and the committee were of opinion that the introduction of the Japanese method would be of advantage to the agricultural population of this country. It was mentioned that the tube wells sunk in Japan were cheap and were likely to prove useful in Bengal.

The question of hydrological survey of the dry districts in Bengal was considered and it was decided that arrangements might be made with the Geological department to have a survey carried out on payment of an allowance. The conference also adopted the committee's recommendations for the formation of Co-operative Irrigation Societies.

PRESIDENT'S SPEECH.

The President, in bringing the conference to a close, said :— Some of your decisions are very important and you may be sure that, in framing and carrying out the policies of the three Departments of Co-operation, Agriculture and Industries, your recommendations will receive every possible weight. I think you have been very wise in endorsing the recommendations of the sub-committee that, in future, more attention should be paid to organising agricultural associations on a co-operative basis rather than on starting such associations without any definite legal status and without any definite legal liability on the part of the members. It is, unfortunately, too true that the majority of the agricultural associations are in a moribund condition. It is equally true that some are doing splendid work. We do not wish to put a stop to the organisation of unincorporated agricultural associations where they can be started with a reasonable prospect of success, but it was necessary for you to lay a definite line of policy for the Agricultural and Co-operative Departments to follow in the matter.

With regard to the cattle breeding policy in Bengal, your recommendations that a cattle improvement committee should be formed will be given every consideration. Unfortunately the refusal of the Legislative Council to pass the demand for the appointment of a cattle breeding expert has placed the department in a very awkward position, but I have every hope that the Council will be willing to reconsider their decision when the matter is again placed before it.

I am glad that the policy of developing a private agricultural seed industry has met with your approval. As His Excellency pointed out in his opening speech, the proper function of an Agricultural Department is research work. If other agencies for distribution of seed and manure, and for popularization and advocacy of agricultural improvements, introduced by the Department of Agriculture are developed, the Department of Agriculture will be in a position to devote more attention to research work than it has hitherto been able to do.

With regard to the sale of the products of cottage industries co-operatively organized, the decision that has been taken is to start a special co-operative depot. I am greatly in sympathy with the proposal. But whether a co-operative depot is organized in amalgamation with the Bengal Home Industries Association or not, I believe there is ample scope for two such institutions, whether with or without Government assistance.

FINANCING OF INDUSTRIES.

You have made important recommendations regarding the financing of industries and you have advocated special forms of aid to industries. Your suggestion for the establishment of an Industrial Bank is an important one. As you know, there are considerable difficulties in the way, but the recommendation will receive due weight. The subject of vocational education has a special attraction for me as, hitherto, the system of education followed in this country has been too exclusively cultural. It is very satisfactory that you have endorsed the recommendation of the sub-committee for the training of mechanical apprentices. With regard to tube wells I am glad you have indicated the different directions in which action is to be taken and have suggested a hydrological survey.

You have defined the relations between the Industries and the Co-operative Departments and it will be for the heads of the two departments to work in co-operation on the lines laid down by you. As regards the financing of industrial co-operative societies the reluctance of central banks to finance such societies and the experience of Bankura indicate that your decision to form industrial unions is right policy to be pursued.

With regard to irrigation societies I am glad that you have endorsed the instructions issued by the Registrar of Co-operative Societies on the subject. As to the urgent need for such societies there cannot be any doubt.

The decision to separate the business of credit societies into long term and short term business is a very important one. One of the most fascinating problems of the money market in India is how to utilise the seasonal demand and surplus in connection with

agricultural financing and similar demand and surplus in connection with the financing of commerce and trade, or, to put it in a nutshell, how to link up rural finance with the finance of commerce and trade. The cultivators in Bengal need money when the money market in Calcutta is faced with huge surpluses. Then the time comes when vast sums of money go out to the *mofussil* to finance the crops and the cultivator is placed in funds and is in a position to repay his loans. I trust that the division of the business of the societies into long term and short term business will ultimately enable the movement through its provincial bank to produce an equilibrium between the demands and surpluses of agricultural Bengal with the demands and surpluses of industrial and commercial Bengal. As regard *charka* and fly-shuttle looms, the Government have no objection to taking every legitimate means for its introduction as a subsidiary means of income to people, particularly to the cultivators in season of enforced idleness.

In bringing my remarks to a close I must once again emphasise that, in the achievements of three departments, Co-operation, Agriculture and Industries rest enormous possibilities for the national well-being of the Province. It is a common place to say that the primary problem with which we are faced to-day is that of the poverty of the bulk of the population. It is more difficult to visualise the developments by which the condition can be alleviated but I think we can state with absolute certainty the following essentials :—

First, the necessity of supplementing the people's resources received from the produce of the land by further resources which would arise out of an increase in industrial production.

The second essential is that of increasing the out-turn of a given area of the land thus enabling the same area to support a larger number of occupants or to support the same number at a higher standard of living.

The third essential is that of improving the business capacity, whether for the industrial or agricultural pursuits of the people.

I think it will be conceded on all hands that these three aims

are the proper objects of the departments of Industry, Agriculture and Co-operation.

We shall now proceed to the task of giving effect to the various recommendations inspired by the feeling that I have in my support, an influence of considerable magnitude that will always stand by me in the discharge of my duties.

CO-OPERATION IN BENGAL

(a) H. E. The Governor's Visit to the Pabna Central Co-operative Bank.

His Excellency the Governor of Bengal visited the Pabna Central Bank at 5-15 p.m. on the 18th August last. In anticipation of this visit a reception Committee with Babu Tarak Govinda Choudhuri as Chairman was formed. In honour of this visit, the Central Bank premises were gaily decorated with flags, festoons and bunting. In front of the spacious premises a gate with the co-operators' motto and welcome inscribed on it was constructed and in the courtyard a spacious *shamiana* was put up under which a dais was prepared for His Excellency. Representatives of the 'B' class credit societies, the Co-operative Agricultural Societies, the Industrial Societies, the Limited Liability Societies besides some selected Officials and Non-Officials were invited to attend the functions. An Exhibition of Co-operative Societies' products was held. Several other articles useful to Agricultural and Industrial Societies were also exhibited. The Exhibition was a splendid success. His Excellency was received at the gate by Khan Saheb Moulvi A. K. Kabiruddin Ahmed, Asst. Registrar of Co-operative Societies, Rajshahi Division. The Collector of the District then introduced Rai Saheb Tarak Nath Maitra to His Excellency who in his turn introduced the other Directors. His Excellency was then taken round the Exhibition and was presented with a pair of table knives with His Excellency's name inscribed on them by the Sutanara Karmakar Society and a handkerchief by one of the Weavers' Societies. After inspecting the exhibits His Excellency was taken to the dais where he presented eight medals and four first class certificates for the best exhibits. The following societies were presented with medals.

(For the Pabna District Societies).

- (1) Kalyanpur Industrial Co-operative Society.
for cloths.....one silver medal.

- (2) Sutanara Karmakar Co-operative Society.
for cutlery..... one silver medal.
- (3) Malisa Co-operative Society.
for cheap & durable *dhuties* & *saris*.....one silver medal.
- (4) Jalalpur Weavers' Society.
for *dhuties*, *saris* & *loongis*.....one silver medal.
- (5) Kulnia Paschimpara Weavers' Society.
for *dhuties* & *saries*.....one silver medal.

(For outside-district Co-operative Societies.)

- (6) Bankura District Co-operative Industrial Union.
for *dhuties*, *saries* & *coatings*.....one silver medal.
- (7) Naogaon Joutha Sarkaraha & Bikroy Samity.
for *dhuties* and *saries*.....one silver medal.

(Certificates.)

1. Mechua Bazar Charmakar Society.....for leather products.
2. Hatkhali G. D. B. (Pabna).....for cloths.
3. Dacca Co-operative Union.
4. Bajitpur Co-operative Tantubai Society. (Mymensingh District.)

OUTSIDERS.

Babu Anukul Chandra Munshi exhibited an excellent collection of mother-of-pearl products. Among these a portrait of His Excellency Lord Lytton and Her Excellency attracted universal applause. This gentleman exhibited beautiful portraits of Budha, Kali, etc., all wrought in mother-of-pearl. He was awarded a silver medal.

Babu Bhujendra Nath Banerjee, representative of the Chilean Nitrate Committee, Indian delegation exhibited various sorts of scientific manures and some specimen of basic phosphates invented by him. These also were highly appreciated by His Excellency. Babu Nikhil Chandra Sen Gupt, Departmental Industrial Inspector, Rajshahi Division, exhibited a landscape

picture woven by himself. So fine it was that it looked like a painting.

Rai Saheb Tarak Nath Maitra announced a gold medal called the Lytton Medal to be awarded by him to the best Co-operative Society in Pabna in honour of His Excellency's visit.

His Excellency was highly pleased with what he saw.

(b) The Hon'ble Minister for Agriculture on Tour.

At Mymensingh :— In the course of his reply to the addresses presented to him, the Hon'ble Minister said :—

Representatives of the Jamalpur Central Co-operative Bank Ltd., and the societies affiliated to it, permit me to thank you most heartily for the address of welcome you have presented me to-day for visiting your Sub-Divisional headquarters. I appreciate most keenly the spirit which has inspired this cordial welcome, as Mymensingh is the district of my birth and to my mind, there is nothing more encouraging than to be liked by one's own people; I shall long remember this occasion and I shall consider this as one of the proudest moments of my life.

AGRICULTURE AND CO-OPERATIVE MOVEMENT.

I am grateful to you for the kind words you have said about me and the good wishes you have expressed for the successful administration of the departments under my charge. You have very rightly observed that Co-operative and Agriculture are the two master keys which only can open up the vast possibilities for the masses of our country. I am greatly pleased to learn that you consider these two departments of great importance in the development of our country for in many quarters this is not fully realised. My past experience and the present practical working of it fully confirms me in that view. If the masses of the country have to be lifted up from the poverty in which they are now steeped, we must rely on improvement in our agriculture co-ordinated by co-operation. It is not possible to think of improvements in other directions before you can feed the masses and that means the improvement of agriculture and we are aware that in all countries of the world agriculture badly wants financing

during certain portions of the year and this in our country should now devolve in co-operation. This analysis of the situation ought to definitely tell you what position you occupy as representative of the co-operative movement for bettering the condition of the masses of this Sub-Division. Would it be too much to say that non-officials though most of you are, your work is not perhaps the less responsible on that account. I heartily wish that Providence will give you health and opportunities for successfully working the movement within the Sub-Division.

INDUSTRIAL CO-OPERATION.

I am entirely at one with you in thinking that Industrial co-operation should now find a more prominent place in our programme. I have already drawn the particular attention of the Director of Industries and the Registrar of Co-operative Societies to this aspect of the question and I am greatly obliged to you for telling me that the development of this side of co-operation is possible in some areas of your Sub-Division. I am issuing orders on the Director of Industries and the Registrar of Co-operative Societies to examine the position in consultation with the Central Bank and to submit to me a report regarding the industries you mention, being co-operatively tackled and developed.

When you speak of the abolition of audit cess you put me in an awkward position. You are all aware of the financial crisis through which the Province is at present passing. You are also doubtless aware that the Retrenchment Committee is sitting to advise Government as to the possible direction in which economy can be effected; on the top of this we have under consideration the increment of the pay and prospects of the audit staff. You will perhaps remember the Provincial Co-operative Conference strongly advocated the prayer of the audit staff for higher pay and we have accordingly taken up this question for consideration. In these circumstances it is not possible for me at this stage to hold out any promise to consider this request favourably, but you can take it as absolutely certain that if after consulting the Registrar of Co-operative Societies, and examining the practice in vogue in other provinces any relief can be afforded to the societies, I shall most gladly do it.

I have noted your desire to have a plot of land out of Government lands at Jamalpur for erection of a building for the Central Bank. No one will be more pleased than myself to help you in this direction, if you will formally come up to me through the Collector of Mymensingh, Commissioner of Dacca Division and the Registrar of Co-operative Societies.

Gentlemen, it has given me great pleasure to meet you all and to hear your views regarding the development of agriculture and co-operation. The task you have set before you is an arduous one and though success may be distant, you will be doing the greatest good to the Sub-Division, if undaunted by failures, you carry on your work with enthusiasm and look forward to the reward which such disinterested work brings, viz., the welfare of your fellow beings.

Permit me to thank you again for the cordiality of your welcome and the practical suggestions you have been good enough to bring forward for bettering the works of the Departments of Agriculture and Co-operation.

At Jessore: Replying to the address presented to him by the members of the Co-operative Societies of the District, the Hon'ble Minister said that he was touring through the different districts of Bengal to enquire into the causes of distress of the people of Bengal and he was also trying to help them by establishing co-operative societies in Bengal. He also advised the people to introduce industrial co-operative societies to foster their industries. He said that the cultivating class generally live upon the produce of the land, for which they had to labour for five months in the year and he asked them to utilise the remaining period in sugarcane and tobacco industries. He also said that although it is impossible to compete with the millmade cloths, still the people could grow tree-cotton and supply their own cloths by spinning thread at their leisure.

The District Magistrate then announced that Babu Sarat Chandra Mitra, Pleader and Deputy Chairman, Jessore Central Co-operative Bank, had promised to deposit Rs. 1,000 in the Magura Central Co-operative Bank Ltd., at eight per cent. interest per annum to commemorate the visit of the Hon'ble

Minister. The income will be devoted to supplying bandages of the patients of the JESSORE charitable dispensary.

At Khulna: In the course of his speech at the Khulna Conference the Hon'ble Minister said :—

In the co-operative movement you have a powerful ally for the development of agriculture and industries and I would ask you to take full advantage of its possibilities. I was pleased to hear of the progress which the co-operative movement has made, though I must confess I was a little disappointed to learn that your movement has been rather one-sided so far and that there has been very little or no progress with regard to forms of co-operation other than credit. I am, however, glad to learn that you propose to start an Industrial Union and to take up industrial co-operation. I would like to emphasize on you the immense possibilities of co-operation. I wish to see a net work of co-operative societies of all kinds spread over the district. I wish to see every village organized not in the matter of obtaining money at a cheap rate but also in the disposal of their agricultural produce, in the supply of better manure, seed and other necessities of life. I wish to see all the cottage industries organized on a co-operative basis. I wish to see co-operative rice mills organized at suitable centres. I would like you to adopt co-operative methods in the development of fishing industry. We know that the fishermen are wholly in the hands of *nikaris* and other middlemen and that they do not receive the full value of their labour. The fishermen themselves have no idea of organisation and the transport arrangements by the middlemen are primitive. Co-operation will enable the fishermen to introduce modern transport arrangements and to dispose of their catches at remunerative rates.

(c) **Bengal Co-operative Organization Society's Magic lantern lectures on Co-operation.**

Up to the end of July last co-operative lectures illustrated by magic lantern lectures were delivered by the Bengal Co-operative Organization Society's travelling lecturers at the following places :—

Kamalpur (Agartala).

Purulia.

Midnapore Sahitya Sammilani.

Krishnagar Exhibition.

Korkodi (Faridpore).

Do.

Madhusah (Faridpore).

Goila (Barisal).

Baliabhaunga (Faridpore).

Pinjury ,

Barisal.

(d) The Debuttar Co-operative Agricultural Society Ltd.

The Debuttar Co-operative Agricultural Society, Limited was inaugurated on the 2nd instant at Debuttar. This is the fourth society of its kind established in the District for promoting agricultural industry on co-operative basis. The outstanding feature of the Debuttar Society will be that it will keep and rear sheep, goat and poultry, along with general agriculture for improving their breed and for trade. A large area is available in the vicinity for pasture and a ready market at Ishurdi on the E. B. Railway. Another remarkable feature of the society is that a cobbler has been taken in as a member, although the President and the Secretary are high caste Hindus. Rai R. M. Das Bahadur, Collector of the District, Mr. J. N. Majumdar, Secretary District Agricultural Association and Mr. D. C. Das, District Agricultural Officer, were present. They all addressed the meeting and explained the necessity and utility of these associations. The Collector pointed out to the members that this society is a unique one in that it has taken a lead in the matter of improving the condition of the depressed classes and exhorted the members for the success of the society.

(e) Mr. T. C. Ray's Note on the Azimgunge Municipal Methars' Joutha Bank Ltd.

Mr. Surendra Narayan Sinha, M.L.C., took me round to see the Azimgunge Municipal Methars' Joutha Bank, Ltd., and I am glad that he did, for I found in the society a striking illustration of what can be done by Co-operation to improve the

lot of even such a class of people as the Methars of Bengal. The society started work on the 29th May last and has 43 names on the roll of its members. These persons were deeply involved in debt and bound hand and foot to the *Mahajans*, who charged interest at exorbitant rates varying between 100 to 150 per cent. The small pittance they get from the Municipality as their pay used to be spent largely in paying interest on the loans, and very little was left to tide them over till the next pay day. The society was formed to get them out of the clutches of the *Mahajans*, and it started work by extinguishing their old debts. Ordinarily this is not a satisfactory method of starting work, but in a society like this, this is the only course that can be adopted. The total debts of the 43 persons amounted to Rs. 1,624/- This amount was advanced to the society by the Jhaganj Central Bank and with it the society paid off the *Mahajans*, each member executing in its favour a bond for the amount it paid on his behalf. The loans are payable in 24 equal monthly instalments.

2. Each member has had to take one share of Rs. 6/- for every Rs. 30/- paid on his behalf and the share is payable in two years by monthly instalments of, 4/-.

3. Every member has agreed to a certain deduction from his pay every month. The amount agreed upon is large enough to pay the loan and share instalments and leave over a small sum to be deposited in the member's name. The Bank has from the outset arranged not only for repayment of the loans of members but also for the creation of capital by shares and deposits. In two years' time not only will the loans be repaid but a fairly large amount collected from shares and deposits, which, it is expected, will suffice for the needs of the members. The loan advanced by the Central Bank is therefore, the first and last loan taken by the society.

4. The loan from the Central Bank carries interest at 10½%. The rate charged to members is 15%.

5. To wean them from extravagant habits (if a man earning Rs. 8/- to Rs. 10/- a month can ever have an opportunity to be extravagant) the Bank has made arrangements with two of the local shopkeepers for the supply of necessary foodstuffs to the members on credit, fixing the extent of credit in each case. The

shopkeepers present their bills to the Bank at the end of the month. The monthly payment by the Municipality is made in the presence of the Secretary of the Bank, who recovers from each member the amount of the shopkeepers' bill together with the share and loan instalments.

6. It was not possible for the society to raise any money from its members to pay for the shares in the Central Bank, which it was necessary for it to take up to become eligible for loans from it. The Central Bank had therefore to advance to it the value of the required number of shares along with the amount applied for. This was not really the right thing to do but in the peculiar circumstances of the case this could not be avoided.

7. On the 13th June, about a fortnight after the society started work, Rs. 36/8 - was collected from the members on account of shares and Rs. 57/7/6 as deposits, in addition to the first instalment of loans of the members.

8. I met about twenty members of the Bank and all of them looked cheerful and happy. A great load has been lifted off their shoulders, and they can now look to the future with hope and confidence. I was glad to find that most of them understood the principles on which the society was working and had come to prize the society very much. I wish every success to the society.

9. I cannot conclude this note without a word of appreciation of the services rendered by Mr. Surendra Narayan Sinha, M.L.C. The Chairman and the Secretary of the Society are also very keen and my thanks are due to them also.

(f) Proposed Central Co-operative Urban Bank for Calcutta.

*The following letter has been issued by Prof. P. Mukherji, M.A.,
I.E.S. (offg.), F.R.E.S., Honorary Organizer of Co-operative
Societies, Bengal, to the Secretaries of all Co-operative
Credit Societies in Calcutta.*

DEAR SIR,

The need for a Central Urban Bank in Calcutta has not hitherto been felt mainly because the Calcutta Co-operative Credit Societies (more than 10 in all) have not usually suffered from want of funds; deposits have freely flowed in to swell their working capital. But of late owing to the tightness in the money-market, increased cost of living, and the floatation of public loans at high interest, several Urban Banks - specially those newly started - have had some difficulty in attracting deposits. The time, therefore, has come to seriously consider the question of starting a Central Urban Bank in Calcutta to serve as a balancing centre for the co-operative credit societies in Calcutta: such a Central Bank is needed to relieve those societies, that have funds lying idle, of those surplus funds, and lend them out to others that need them: if none is in need, the Central Bank will invest them in such ways as may be determined. The Calcutta co-operative credit societies have had to open accounts with post office savings banks or with recognised commercial banks: co-operative funds are thus diverted to commercial use; whereas if a Central Bank be started in Calcutta, and if it be affiliated to the Bengal Provincial Co-operative Federation Ltd., the financial position of the latter will be considerably strengthened and co-operative funds will be utilized in aid of the co-operative movement. The time is therefore fully ripe for organizing a Central Co-operative Urban Bank in Calcutta -- a financial union of co-operative credit societies in Calcutta controlled and managed by their elected representatives with the help of experienced bankers and business men.

Before calling a Conference of representatives of the Calcutta societies to formulate definite proposals, I desire to know the views of your Committee as to whether they feel the necessity of

such a Central Bank and whether they would join such a Central Bank when formed. It will be convenient to get your views by the 15th of August next. I shall be glad to answer any queries regarding this scheme of a proposed Central Urban Bank for Calcutta.

Yours truly,

(Sd.) P. MUKHERJI,

Hon. Secretary, B. C. O. Society,

Hon. Organizer, Co-operative Soci-

ties, Bengal.

CO-OPERATION IN BOMBAY.

1. The Bombay Central Co-operative Institute—Fourth Annual General Meeting.

The fourth annual general meeting of the Bombay Central Co-operative Institute, was held at its office, Sardar Building, Apollo Street, Mr. G. K. Devadhar, Vice-President, presiding.

In the course of the report for the year ending 31st March, 1922, it was stated : --

The year under report witnessed a rapid expansion of the activities of the Institute and the sphere of its influence. The branches of the Institute started during the last year in the three linguistic centres of the Presidency and at Bombay have now taken firm root, and two new branches, one for the Konkan and the other for the province of Sind, have been added during the year. The magazines of the Institute, the Bombay Co-operative Quarterly, the Marathi Sahakari Mitra and Sahakari Patrika in Gujarati and the Kanada Sahakari in Kanarese were published regularly, and a new magazine in Kanarese, "Karnatak Sahakari Mitra" has been started by the Karnatak Branch. Classes for honorary organizers and bank managers were for the first time organized by the Institute, and the English training class and the continuation class were continued. Five classes for training of junior secretaries were conducted during the year in different parts of the Presidency at which 168 secretaries received training and 79 passed the examination prescribed. The Provincial Co-operative Conference organized for the first time by the Institute at Poona in August last was a great success. A notable feature of the year was the holding of as many as ten local co-operative conferences, all of which were well attended and marked by considerable enthusiasm of local co-operators. The sphere of influence of the Institute became considerably extended by the opening of the taluka branches at different places and a sub-branch at Parel. The work of the Standing Committee grew

considerably in volume and in importance involving consideration of the constitution of the branches and conferences and the discussion of many important points of policy and principles referred to it by the Registrar.

The third annual general meeting of the Institute was held on the 9th July, 1921, when Mr. G. K. Devdhar was elected Vice-President in place of the Hon. Mr. Lalubhai Samaldas who had tendered his resignation. The meeting placed on record its appreciation of the services, the retiring Vice-President had rendered to the Institute from its very inception. The by-laws of the Institute were amended empowering the Institute to open branches and sub-branches and to frame rules for their guidance, and allowing the branches the right to elect 4 representatives on the board of management of the Institute and empowering the latter to appoint a Standing Committee of 12 members. The meeting also elected a new board of management consisting of 30 members including 15 members elected by the branches. H. E. Sir George Lloyd continues to be the President of the Institute.

The Standing Committee held 11 meetings during the year and at one of its meetings held on the 16th September, it appointed two sub-committees, one to look to the administration of night schools, and the other to advise on the preparation of the magic lantern slides.

Among the more important questions considered by it were modifications in the rules regarding membership, supply of journal, inter-relations of the Central Institute and its branches, distribution of funds between them, question of travelling allowances, and rules regarding taluka branches, district co-operative councils and taluka and divisional conferences. Mr. Naik's scheme for the modification of constitution of the Institute and its branches formed a subject of discussion at various sittings and a modified scheme for the constitution of central and divisional boards and of Standing Committees of the Central Institute and branches has been prepared and published. Among the questions referred to it by the Registrar of Co-operative Societies were the appointment of honorary organizers, proposed amendments to Co-operative Societies Act, the question of giving an honorarium

to arbitrators, co-ordination of agricultural and co-operative movements, and appointment on the divisional boards of agricultural and co-operation recently created by Government.* The committee also required the Registrar to move Government to nominate a representative of co-operation of the University Senate.

The number of members rose during the year from 1,029 to 2,799 of which 2,338 were societies and 461 individuals. The Devan of Bhavnagar became a life member, 12 more associates were enrolled during the year.

THE TRAINING CLASSES.

The annual training classes of the institute in Bombay opened on Wednesday, the 29th June, 1921. Three different classes were started together, one being the English training class meant for college students and the public, one for honorary organizers of co-operative societies and the third for managers of co-operative banks. The last two were held for the first time and the first for the second time,

The bank managers' training class extended over a period of nearly three months and included attendance at both classes mentioned above, followed by three weeks' practical training at the Bombay Central Co-operative Bank and touring with the assistant registrars and bank officers for the remaining period with a view to gaining first hand knowledge of working of typical co-operative institutions in certain parts of the Presidency.

The total attendance at all the classes was 28. Of these 14 attended the English training class and 7 each the honorary organisers' and bank managers' classes. 12 students appeared for the examination of the English training class and 6 came out successful. The progress of students in the bank managers' training class was judged by a scrutiny of the written records they had to maintain of the work they had done during the course. 6 students were examined under the test by a board of examiners appointed for the purpose, and they thought that the candidates were not sufficiently well equipped either by their general culture, or by previous study of co-operation or practical office experience to be quite fit to be granted diplomas by the Institute. In view

of this and in view of the scanty notes submitted by them of the work they had done, the examiners recommended that in place of diplomas as laid down in the prospectus of the course, certificates be granted to four of the candidates to the effect that they had successfully undergone the course of training prescribed for them. They have also recommended greater caution in admitting candidates to this class in future and have also suggested certain changes in the prospectus of the class which will be brought into force from the current year.

The continuation class for intensive study of co-operation was held all the year round during prescribed terms and 12 students attended the class and three appeared at, and passed the examination that was held in December last.

THE BRANCHES OF THE INSTITUTE.

The branches of the Institute have, during the period, set themselves to work with vigour and enthusiasm, and it is a matter for regret that they find themselves handicapped in their work by lack of funds. The Gujarat branch under the Presidentship of Rao Bahadur A. U. Malji has maintained a high level of efficiency within the limited funds at its disposal. It organized one divisional conference at Surat on the 7th and 8th December, 1921, one district conference for Kaira at Nadiad on the 13th November, 1921, and two taluka conferences, one for Vagra taluka on the 22nd and the other for talukas of Godra, Kalol, and Halol, on the 20th February, 1922. Among its other activities may be mentioned a junior secretaries' training class conducted at Surat in the month of May last, from the 25th and 31st, at which 18 secretaries out of 34 came out successful, a taluka sub-branch for Jambusar, and a small co-operative library at its headquarters. The branch has also appointed a committee called the Vocabulary Committee consisting of some eminent literary men, to coin new words and frame apt phraseology in Gujarati, appropriate to technical terminology in current co-operative literature, and it is hoped that similar attempts will be made by other branches.

Professor H. L. Kaji, the President of the Bombay City Branch, has infused new life into it and has devoted his attention

mainly to the development of the non-credit side of the movement. With a view to carry on co-operative propaganda in the mill area the branch in the first instance organized different committees to carry on work in different centres but as these were not found to be successful it organized a sub-branch for the mill area. The branch conducted one training class for junior secretaries at which 10 students out of 45 passed, and organized a successful city conference on the 4th and 5th February 1922.

The work of the Maharashtra branch also deserves high credit, Mr. A. V. Patwardhan, its secretary, having had to do work both as secretary of the branch and as editor of the Sahakari Mitra. It conducted one training class for junior secretaries at Islampur, organized a series of lectures for the benefit of students of Agricultural College in October last, and held five conferences at Igatpuri, Bagan, Mahol and at Baramati.

The Karnatak branch under the Presidentship of Mr. F. T. Nalavade holds out high hopes. It conducted one class for junior secretaries, has started as many as six taluka branches at Athani, Hingnud, Bijapur, Bagalkote, Navalgund and at Aminbhavi and organized a very highly successful district conference at Jakkali where the audience numbered nearly four thousand.

Two new branches of the Institute were started during the year, one for Konkan and another for Sind. The Konkan branch was started on 22nd October, 1921, for the districts of Thana, Kolaba and Ratnagiri with its headquarters at Alibag; the first of which districts originally came under the Bombay branch and the latter two under Maharashtra branch. After considerable discussion it was decided that the co-operative movement in the three districts can best be fostered by forming them into one separate branch. The Sind branch was formed for the province of Sind near the end of the year on the 5th of March, 1922. It has already held a training class for junior secretaries.

THE TWO OUTSTANDING EVENTS OF THE YEAR.

The two outstanding events of the year which will go to strengthen the position of the Institute are, first, the deputation

of Mr. V. H. Naik, special assistant Registrar, Co-operative Societies by Government on special duty to stimulate the working of the branches of the Institute and the second being the arrangements that have so far been made to provide a building for the Institute. Mr. Naik immediately after his appointment set himself to work in consultation with the officers of the Institute, and the results achieved by him during the brief tenure of his special duty in increasing the society members of the Institute have been highly satisfactory. Mr. Naik has also issued a report containing numerous suggestions, but the execution of work outlined by him must depend on the financial assistance to be received from Government. Mr. Naik's scheme for modification of the constitution of the Institute and its branches was placed before the last Provincial Co-operative Conference and was referred back by that body to the Standing Committee of the Institute for consideration. The latter after fully considering the scheme have formulated a modified scheme of representation of the board of the Institute and its branches on the lines of the scheme of representation for the provincial conference and having referred the same to the branches it is now ready for consideration by the general meeting.

The question of having a building of its own had engaged the anxious consideration of the Institute for some years and arrangements are likely to be completed for its construction in the Fort at Baje House Lane where Government have been pleased to lease a plot of land to the Institute. This has been made possible mainly through the efforts of Sir Vithaldas Thakersey and the Hon. Mr. Lalubhai Samaldas to whom the Institute had always looked for help and the assistance rendered by the Bombay Central Co-operative Bank by sanctioning a loan of Rs 2½ lakhs on favourable terms. The best thanks of the Institute are also due to Mr. G. K. Devadhar, the Vice-President of the Institute and to Mr. Otto Rothfield, the Registrar, Co-operative Societies, whose untiring efforts in no small degree contributed to the promotion of the scheme. The building when completed will be the mainstay of the Institute and this together with the expected improvement of its finance will go to place the future of the Institute on a secure basis.

FINANCIAL POSITION.

The statement of accounts and balance sheet will explain the financial position of the Institute as it existed at the end of the year under report. It will be noticed that there is a deficit of over Rs. 900 and this, inspite of the fact that Rs. 500, the amount of a life member's subscription, had to be temporarily appropriated for current expenditure. The budget for the current year shows a larger deficit. The removal of the Institute office to the Fort where a higher rent will have to be paid and where it will be difficult to depend on part-time service, will entail a considerable amount of additional expenditure. Apart from the necessity of extending the scope of the activities of the Institute, it is clear that even for the maintenance of the present activities, an extra annual income of Rs. 8,000 to Rs. 10,000 at least will have to be raised by the Institute. The branches of the institute have also been greatly handicapped by want of funds. Most of their income is generally absorbed in the expenses of vernacular magazines and their other activities have consequently to be curtailed at every step on account of financial difficulties. The number of training classes cannot be increased, conferences cannot be organized, publication of literature cannot be undertaken, local branches cannot be formed for lack of adequate funds, and it will be readily recognized that to enable the gospel of co-operation to reach the masses whether in towns or in villages, it is necessary to start more taluka branches, to publish a larger volume of vernacular literature on co-operation, to organize more classes and conferences, to start numerous libraries of co-operative literature, and to do active propagandist work by means of lectures, magic lantern shows and circulation of leaflets. Travelling charges have to be paid to the office-bearers, and workers of the Institute who have to move about to attend committee meetings and conferences, to co-ordinate the working of different branches, sub-branches, and generally to keep in touch with the progress of the movement. But all this must depend upon the strength of the finances. Most of the registered societies in the Presidency have joined the institute as members and bear their part of the burden of expenses. They are not profitable concernus and the Institute cannot hope to obtain from them a liberal financial assistance such

as will place the work on a sound basis. The assistance has to be sought of the State on the score of the public movement. The Co-operative Institute and also of those among the wealthier sections of society who can be convinced of the national advantage of promoting the co-operative movement. The Co-operative Institute therefore appeals to Government to make adequate provision for funds for the useful work undertaken by it and also appeals to philanthropic gentlemen in the Presidency to support it by liberal donations.

On the motion of the Chairman, seconded by Principal Tannan, the report was adopted.

2. Ten Days of Co-operative Education

The English training class in Co-operation organised by the Bombay Central Co-operative Institute was inaugurated on Monday, the 24th July in the Wilson College Hall, before a large number of College students, honourary organisers and branch managers, by Mr. G. K. Devadhar, the Vice-President of the Institute. The class afforded a splendid opportunity to the people of Bombay generally and the college students in particular, to get an insight into the aims, objects and methods of co-operative work and into the immense possibilities opened by the co-operative form of economic organisation towards the solution of many Indian economic problems.

Lectures had been arranged on almost every important aspect of the movement here and abroad and were to be delivered not all at one place but at the three Arts Colleges, the Sydenham College and the University Hall. This arrangement, besides being convenient to the students attending the class, had also the additional advantage of kindling the co-operative spirit in and securing the association with the cause of co-operation on the part of the great educational centres in the city. What was perhaps more important was the fact that the lecturers who were well-known workers and men who had been interesting themselves in the co-operative and economic field, included the veteran co-operators like the Hon'ble Mr. Lalubhai Sainaldas, Sir Stanley Reed, Mr. Rothschild, Dr. Mann, Mr. Bell, Mr. Byrt, Prof.

Kaji, Mr. N. M. Joshi and Rao Bahadur S. S. Talmaki, etc. Moreover, a few special lectures had been arranged and in order to enable students to know something of practical work that was being done in Bombay.

It was also proposed that the class should visit certain important centres in Bombay. Four such visits had been planned. This year's class, the Secretary states, are much better attended. The work of the class was to go on till the 5th of August, and end with a regular examination.

3. Lecture by Sir Stanley Reed.

Under the auspices of the Bombay Central Co-operative Institute, Sir Stanley Reed lectured to a large audience at the University Senate Hall at 5 p.m. on Sunday, the 30th July.

He said : The country is passing through a great surge of patriotism and there is everywhere to be found a desire for national service, political or social. To increase the wealth of India is the wish of every Indian. Public attention is mainly directed to the industrial development and the growth of manufacturing industry particularly. The fact that 71 per cent of the Indian population are agriculturists shows however that agriculture is the main profession in India. The factory system in India levies a heavy toll on the life of poor workmen who have to spend life in dwellings, for the most part, unfit for human habitation and amidst insanitary environment. Contrary is the case in England, where workmen's quarters are airy, well ventilated and every care taken about their health so as to make them feel that they have something to live for. This profits the employer directly.

Sir Stanley then recalled the famines of 1899 and 1911, and said that in 1899 human suffering was simply beyond imagination in Gujarat. In 1911 there was an equal failure of the rain. But the growth of co-operation at that time tended much to relieve the suffering of the community. He emphasised that the strength of a nation always depended upon the strength of its peasantry. Cotton industry is the main industry of the Presidency, yielding a profit of about seven crores. But agricul-

ture, if properly attended to, would yield much more profit with comparatively little effort.

The main obstacles to agricultural progress is the excessive fragmentation of land resulting from the Hindu Law of inheritance which divides and sub-divides holding on the death of every land-holder among his heirs. This system is an unmitigated evil and the remedy lies in the consolidation of such small holdings which alone would easily double their out-turn. Progress in agriculture is impossible so long as this evil of fragmentation is left unrepaired. The Baroda State has resorted to legislation in this respect with encouraging results. Sir Stanley Reed himself has suggested to the Hon'ble Mr. C. V. Mehta, the Minister in charge of Agriculture the buying of one village consisting of such fragmentary holdings and bringing it under cultivation on a co-operative basis with a view to set an example to small holders.

He then suggested various methods of agricultural improvements such as the introduction of peasant proprietary system, dry farming and deep cultivation. Jwar crop in the country could be increased to the value of 120 laes, if seed be freed from smut by the application of copper sulphate. There is vast scope for agricultural improvement in India. But it cannot be proceeded with without consolidation of small holdings.

Sir Stanley Reed then reviewed the progress of co-operation in India and observed that co-operative credit and co-operative organization are the two great requirements of the country. In Bombay the membership of co-operative societies has risen to 271,000, and their capital to 4 crores and 35 lakhs. Co-operative credit provides cheap capital as low as at 9 per cent. to the agriculturists who has now to pay less than the manufacturer on borrowed capital. The starting of land banks was suggested some time ago in India, but they have not been very successful so far in Egypt, where they are being worked. In Denmark, Italy and Germany co-operative societies have been far more numerous than in India. Co-operative housing has made a good beginning in India. Economical marketing is the essence of prosperity in Europe and huge co-operative concerns have grown up as a result. In Bombay the Central Co-operative Bank has brought

commercial money and made it available for agricultural use. It has laid down the principles of sound finance which do not mean large cash balances. Soundness depends upon credit, which is the real support and stay of a bank. No bank can be solvent on cash alone. Co-operative production, distribution, co-operative marketing, stores housing, can work wonders in India.

Concluding, Sir Stanley Reed remarked that some subsidiary industries such as dairying, market-gardening, etc., should be taught to villagers to make rural life more productive and that there can be no better form of national service than co-operative service and co-operative spirit applied to agriculture upon which the strength of a nation depends.

A vote of thanks to the lecturer, moved by the Hon'ble Mr. Lallabhai Samaldas, C.I.E., in which he referred to the great services to the co-operative movement rendered by Dr. Sir Stanley Reed, terminated the proceedings.

4. Mr. Otto Rothfeld on Co-operative Stores.

The third general meeting of the Civil Co-operative Stores Society, Limited, was convened on Saturday, the 12th August, at the Sir Cowasji Jehangir Public Hall, Mayo Road, Bombay, but was postponed for want of a quorum. A number of members of the general public, however, were present to hear an address from Mr. Otto Rothfeld, Registrar of the Co-operative Societies.

Mr. W. H. Hammond, President of the Society, in introducing Mr. Rothfeld to the meeting said, but for his sympathetic attitude the stores of the Society would have closed down. In order to continue the Society it was absolutely necessary to obtain more capital, and a great deal more of active interest on the part of the members and prospective members. The managing committee were perfectly confident that there was a successful future before the Society. They had been passing through a period of trade depression all over the world, and the position in which the Society now found itself was due to worldwide causes.

Mr. Otto Rothfeld said, one of the reasons why the English community in Bombay did not combine and take proper interest in the Society was that most of them were either well-off or too

much in debt to care for small savings that they could make by joining it. The people, who took a reasonable and steady view of life here and who could conceive that by saving Rs. 30 a month they would save Rs. 360 a year and Rs. 3,600 in ten years, were comparatively few. But he wanted the people to understand that taking co-operation as a whole, it was not a question of a few people, or of groups of people here and there, but it was a question of the whole people taking direction of their own economic affairs into their own hands from the hands of a comparatively small group of capitalists. That was what co-operation stood for. There was no country in the world in which the co-operation movement had failed.

RAPID SUCCESS.

On the contrary, the success of the movement, after its first troublesome beginnings, had been rapid in the extreme; and in no country it had been more rapid than in India. Last year the working capital invested in the co-operative movement of the Bombay Presidency had leapt up to Rs. $4\frac{1}{2}$ crores, the jump being by one-third in a year. To his knowledge this was unprecedented in the history of the co-operative movement. He fully hoped that next year the percentage of increase would be by half, that was to say, on the 31st March, 1923, it would be well over Rs. 6 crores. The co-operative movement in this Presidency really began in the year 1912, and got the real lever after 1926. So that since 1916, the capital had increased from two or three lakhs to Rs. $4\frac{1}{2}$ crores. That looked like success. He could not understand why when ignorant villagers could make their co-operative societies successful, the English people here could not make theirs a success. The reason was that the villagers had faith in their societies and wanted to support them. It appeared that there was inefficient management in this Society in the past, but now that they had an extremely efficient manager, they should put it on a financial basis which could secure it credit. It was necessary to cut down the value of their shares and subscribe further shares. They should also try and induce their friends to purchase their articles at the Society's Stores.

Mr. G. K. Desadhar next addressed the meeting. He said the history of the co-operative movement and especially of its distributive branch, in England was full of disappointment in the earlier stage, but the people there were not cowed down by the first failure. They struggled on and were successful. He asked every one there to subscribe to the share capital of the Society. But he was not one of those who attached very great importance to the subscription of share capital. He would attach far greater importance to a man who would say he had not got Rs. 10 to pay for the subscription of one share, but he would give a guarantee that he would purchase from the stores every month articles worth Rs. 10. In his opinion this man brought far more profit to the Society than the man who purchased a ten rupee share of the Society.

The meeting was then adjourned.

5 Co-operative Dispensary in Bombay Mill Area.

The Registrar of Co-operative Societies, Bombay Presidency, forwarded to the Bombay Millowners' Association a copy of a letter that he had received from the Honorary Organiser, Co-operative Societies, in which it was stated that the People's Medical Relief Society had been working since July, 1921, but had been running at a loss. He added that it would help the Society a good deal if it could secure the medical work of at least one mill of the locality for its doctor.

The Registrar, in his covering letter, stated that the Society had started a Co-operative Dispensary near the Workmen's Institute in the centre of the mill area. The dispensary was likely to be of great use to millhands; but in its initial stage it required assistance and that, therefore, if one or two mills would engage the Medical Officer in charge of the Dispensary, who was a qualified man, as their medical inspector it would be a great help to the society.

In reply the Committee informed the Registrar of Co-operative Societies that as the majority of the members of the Association already ran properly equipped dispensaries in connection with their mills they regretted they were unable to assist him in the manner indicated.

HIGHER CO-OPERATIVE FINANCE IN MADRAS.

Mr. Gray, O.B.E., I.C.S., Acting Registrar of Co-operative Societies, in submitting to Government the consolidated financial statements of the Central Banks in the Presidency, including the Provincial Bank (the Madras Central Urban Bank) for the quarter ending March, 1922, observes : - The total paid-up share capital of all the banks has increased by Rs. 1,53,350 in the quarter under review. Except the Madras Christian Central Bank in which there has been a fall of Rs. 4,000, all the other central banks show an increase in their paid-up share capital, though in the case of a few banks, the increase is small. The Christian Central Bank has not yet amended its by-laws so as to make its shares non-withdrawable. Its attention will be drawn to the necessity for doing so.

CAPITAL AND LIABILITIES.

Of the six central banks (Anantapur, Vellore, Madura, Ranmad, Srivilliputtur, Trichinopoly and Cuddalore) which did not maintain the prescribed standard in the previous quarter, the Madura-Ranmad Bank alone has made good the deficit in the quarter under review. In the other banks mentioned above, except Trichinopoly, the excess of indebtedness of primary societies liabilities which are due to the transfer referred to in the previous review have been considerably reduced. In the case of the Trichinopoly District Urban Bank there has been a substantial increase in the paid-up share capital but the excess liabilities are still very large. I am again drawing the attention of the bank to the urgent necessity of obtaining more share capital from society members. Besides these, the Ellore Central Co-operative Banking Union and the Kurnool District Co-operative Central Bank exceeded the prescribed standard of liabilities, the former by Rs. 4,298 and the latter by Rs. 310. Their attention will be drawn to the deficit.

FLUID RESOURCE.

Three central banks failed to maintain fluid resource according to the standard prescribed. These were the Christian Central Bank, the Madura-Rannad Central Co-operative Bank and the Srivilliputtur Central Co-operative Banking Union. In the case of the Christian Central Bank, the amount by which the fluid resource fell short of the standard was Rs. 33,184, but the bank had an undrawn cash credit of Rs. 70,700 with the Madras Central Urban Bank which it could draw upon if necessary. In the case of the Madura-Rannad Bank, the explanation given is that the deficit was due to heavy withdrawals of District Board deposits on March 31, 1923, and also to another deposit falling due at that time. But as the District Board put in fresh deposits in the first week of April and as the other deposit referred to was renewed, the deficit was made good in the first week of April. I am drawing the attention of this bank to the fact that the fluid resource should not be allowed to fall below the prescribed standard even for a day or two and that the standard should be regarded as an absolute minimum. The Srivilliputtur bank which shows a deficit of Rs. 2,423 had an undrawn cash credit of Rs. 9,516 with the Madras Central Urban Bank.

SALEM SCAVENGERS' AND SWEEPERS' CO-OPERATIVE SOCIETY.

This Society has just now issued a very interesting report of its work and progress since the starting of the Society in 1912. It is probably the earliest of its kind to be started in India and the great success it has achieved so far should impell the scavengers and sweepers of all other towns in India to follow their splendid example and organise themselves into co-operative societies for their own betterment. The following are extracts from the report issued.

"The interesting features of the Society, from its origin, are, that every year cloth worth Rs. 1,000 is purchased wholesale from merchants and distributed to the members a few days before the Mariyamman festival. Out of the dividend earned by the members, a Mariyamman temple was constructed in their Colony at Gogai. In 1919 owing to the scarcity of food grains arrangements were made with the local stores and subsequently with the Municipal Council for the supply of rice to members up to Rs. 400 per mensem. One of the directions in which investigation seems to be most urgently required in the co-operative movement of India is towards the organisation of labour societies in which labourers combine to use their labour to the best advantage in direct touch with the employer without the intervention of the middleman contractor. In April 1919 the Society undertook the contract with the Salem Municipality of supplying 21 bullocks for night soil cart at Rs. 10 per animal per mensem; and at the end of the contract Rs. 745-5-4 were realised as profit. The same contract for the second year at a lesser rate of Rs. 9-8-0 realised a profit of Rs. 548-3-7. During the current year also the Society has taken the contract at a still lesser rate at Rs. 9 per animal per mensem. During the last pongal, cloth to the value of Rs. 119 was distributed free to members on account of interest evinced in the said contract. There are 15 toll gates in the Salem Municipality subject to the

conditions laid down by the Municipal Council which appeared as a supplement to the District Gazette in February 1921, and the said Society took up the lease of toll gates for the current official year 1921-1922 for Rs. 28,560. The Society approached the department to recommend to the Central Urban Bank for an additional overdraft of Rs. 5,000 to furnish as security deposit for the proper running of the contract, when it was advised by the Registrar that "this is not a concern which a Society of scavengers ought to have undertaken". The District Urban Bank declined to grant an overdraft on the ground that "there are legal difficulties in the way of granting the sum as the toll gates contract is outside the scope of operations of the Society as set down by their bye-laws." But the Society took upon itself the responsibility of conducting the undertaking without the help of the District Urban Bank.

At the end of the contract period there is every probability of the Society realising a profit of about Rs. 10,000. The Honorary Secretary took considerable personal interest in making the efforts of the Society a success; his fine spirit in placing the money required without interest at the disposal of the Society, is commended. The members of the Society are anxious to show their recognition of his work by allotting a bonus to him out of their expected profits.

CO-OPERATION IN THE PUNJAB.

The report of Mr. Calvert, Registrar of Co-operative Societies in the Punjab, is, as usual, refreshing and stimulating. "To his energy and enthusiasm the Province owe the later developments of the co-operative movement," says the Local Government's review on the annual report on the working of the co-operative societies in the Punjab for the year ending the 21st July 1921. We give the following extracts from the review: -

In spite of adverse conditions progress as shown by the return has again been most satisfactory. The total number of societies has risen from 7,171 to 8,153 and membership from 205,405 to 230,287—an encouraging feature being the continued expansion of non-agricultural societies which however at the end of the year numbered only 303 with a membership of 15,371. The four Weavers Secondary Societies, however, with a membership of 85 Primary Societies are purely non-agricultural. As claimed by Mr. Calvert, improvement in quality is more important than mere increase in number and the report exhibits the care which has been taken to keep the number of societies newly registered within the limit of effective control.

REGISTRAR'S OPTIMISM JUSTIFIED.

The intense drought of the year and consequent tightness of the money market have proved disastrous and in particular to those affording credit to agriculturists. That an increase of Rs. 27.5 lakhs of new working capital was obtained from deposits during the year is little short of marvellous and the large increase of deposits in Primary Societies by members would appear to indicate that much capital which would otherwise not have been employed has been put to remunerative use. In spite of much to be deplored in the year's record there is reason to believe that the optimism of the Registrar is not unjustified, and that the lesson learnt in this period of stress will add strength to the co-

operative movement. It is particularly noticeable that societies have advanced Rs. 30 lakhs for objects for which *takkarī* could have been obtained. The relief to the State from the transference to Co-operative Societies of the duty of making such loans will be generally recognised.

AGRICULTURAL PRIMARY SOCIETIES.

The great majority of Agricultural Primary Societies are Credit Societies, the number of which reached the record figure of 7,605 with a membership of 196,601. To these totals the districts of Hoshiarpur, Gurdaspur and Jullundur contribute no less than 775, 668 and 639 societies and 23,742, 17,884 and 23,382 members. As claimed by Mr. Calvert the popularity of this class of society is assured. There would certainly be no great difficulty in securing further expansion, but the impossibility of finding funds for the necessary inspecting staff necessitates caution as the present staff of inspectors must have great difficulty of inspecting each society even once a year. The success of the attempt to have the by-law of indivisible profits accepted is significant of the progress of the co-operative idea in the Province.

MAGNITUDE OF SOCIETIES BUSINESS.

The magnitude of the business of these societies may be gathered from the fact that Rs. 83 lakhs were advanced to members during the year, making the total of such advances at the end of the year Rs. 178 lakhs. That in a year so unfavourable as the past $35\frac{1}{2}$ per cent. of the sum on loan at the beginning of the year was recovered indicates the care with which the loans were given. It is of course impossible to say how far the conditions of the year drove members to the village money lender for extra money but Mr. Calvert is probably justified in reporting that the money lender missed his opportunity. At any rate faith in co-operation must have been strengthened by the fact that no society raised its rate of interest while not a few reduced it, whereas the money lender had to raise his rates. The figures of classification given in paragraph 45 of the report are interesting as showing progressive improvement in the quality of societies.

AGRICULTURAL SUPPLY INSTITUTIONS.

The state of agricultural supply institutions is not encouraging. There appear to be 31 societies and 140 unions. The transactions for the year resulted in a net loss of Rs. 5,000. Similarly with the exception of the Okara commission shops the agricultural societies for production and sale appear to be either moribund or in their infancy. Cheap marketing of produce is almost as important to the farmer as cheap credit. The success at Okara shows what can be done and the future of the Lyallpur shop will be interesting. In the case of societies of both the above classes considerable business capacity is required for successful management.

CONSOLIDATION OF AGRICULTURAL HOLDINGS.

One of the most interesting and at the same time most important experiments which is engaging the attention of the Registrar is the consolidation of agricultural holdings on co-operative lines. There were 60 societies for this object at the end of the year mainly in Hoshiarpur, Jullundur and Gurdaspur. The economic advantage derived from collecting together as far as possible the scattered plots owned by each proprietor has been recognised for years and the special staff put at the disposal of the Registrar for this special work emphasises the importance which Government attaches to the process. The difficulties are enormous. The results achieved so far, however, are encouraging and the experience gained must lead to greater results. At the same time it must be observed that too much stress is laid by the Registrar on the reduction of the number and increase in the average area of fields, a result which could be shown by methods, which will occur to any revenue officer, without any consolidation at all. With the present method of agriculture a revenue field of 4 acres irrigated by a well is an impossibility and even in the Canal Colonies where consolidation is at its highest the usual field is about an acre in area. The true test of success is the actual area exchanged in consequence of the proceedings of the society. On the results achieved in this direction the report is practically silent but it would appear that the

decrease in the number of fields is in some cases due only to the cancellation of a previous partition. In any case the immediate increase in the work of the *patwari*s is considerable and to this as much as to the fear of an eventual reduction of work may reasonably be ascribed such opposition as is encountered.

OTHER ACTIVITIES.

Other activities to which the Co-operative idea is being adapted in rural areas are—Arbitration Societies 87, School for adults 45, Silt Clearance 3, Land Reclamation 8, Thrift and Savings 2, Cattle Breeding 11, Irrigation 1, Cattle purchase 2. The objects in all cases are laudable, but it is doubtful whether it is wise to distract the attention of the ordinary staff from the more important duty of helping and inspecting Credit Societies until Provincial finances permit of a more liberal inspecting staff. The Jhang Mortgage Bank (which is classed as a Credit Society) is an interesting experiment. For permanent success it would appear to need supplementing by Credit Societies of the ordinary type which are exceedingly few in this backward district.

NON-AGRICULTURAL SOCIETIES.

Among non-agricultural societies 116 are Credit Societies. Little is said of these in the report but the 26 limited societies appear to have made a profit of over Rs. 4,000. Except in a few individual cases Urban Supply Societies have not proved successful. In the nature of things the scope for such societies is smaller in towns even than in villages.

The most important of the non-agricultural societies are the 74 Industrial Societies, of which 57 are Weavers' Societies. There are in addition Weavers' Central Stores at Amritsar and 3 Supply Unions besides 5 Weavers' night schools. On the subject of the Weavers' Societies the remarks of Mr. Powell are interesting and the results achieved are satisfactory. The Ministry of Agriculture doubts, however, whether he is justified in attributing the attitude of hostility to district officers and local bodies which underlies his allegation of an "effective boycott".

Mr. Calvert is right, however, in drawing attention to the attempt which is being made by Government through its weaving schools and the Co-operative Societies to improve and organise this indigenous industry.

CATTLE INSURANCE.

Cattle insurance would appear to be at a very low ebb. Of the 37 societies 30 are in Rohtak District where there is also a re-insurance society. The Special Inspector is being entertained for another year. For the present it would appear advisable to restrict effort to the district of Rohtak.

PRESIDENT HARDING TALKS TO FARMERS.

His address before the Recent Agricultural Conference at Washington.

[The address of President Harding before the agricultural conference recently held in Washington at the call of Secretary of Agriculture Wallace was regarded by many of the delegates as the most important feature of that gathering. It is perhaps the first time a president of the United States has expressed himself so much in detail concerning farmers' problems and made plain the attitude of the administration on agricultural improvement.]

"Secretary Wallace and members of the conference,

"It is an occasion of the greatest satisfaction to me that Secretary Wallace's invitation has been so widely and cordially accepted. I confess the firm belief that in the public life of a people so intelligent as the American nation most problems may be regarded as well on the way to solution when they are once reduced to their simplest terms and generally understood. This conference was called with the aim to bring about such a general understanding of the critical situation now confronting American agriculture.

FARMERS HAVE BEEN HANDICAPPED.

"You men are thoroughly familiar with the distressing detail of present conditions in the agricultural community. The whole country has an acute concern with the conditions and the problems which you are met to consider. It is truly national interest and not entitled to be regarded as primarily the concern of either a class or a section.

"Agriculture is the oldest and most elemental of industries. Every other activity is intimately related to and largely dependent upon it. It is the first industry to which society makes appeal in every period of distress and difficulty. When the war is pre-

cipitated, the first demand is made on the farmer, that he will produce the wherewithal for both combatants and the civil population to be fed, and in large part also to be clothed and equipped.

"Even in our own times and under the most modern and enlightening establishments the soil has continued to enjoy less liberal institutions for its encouragement and promotion than many other forms of industry. Commerce and manufacturing have been afforded ample financial facilities for their encouragement and expansion, while agriculture on the whole has lagged behind. The merchant, the manufacturer, the great instruments of public transportation, have been provided methods by which they enlist necessary capital more readily than does the farmer.

"The manufacturer, whose turnover is rapid, finds that in the seasons when he needs unusual amount of working capital he can go to the bank and borrow on short time notes.

"His turnover is rapid, and the money will come back in time to meet his short term obligations. The merchant finances his operations in the same way. But the farmer's is in a different case. His turnover period is a long one, his annual production is small compared to the amount of investment. For almost any crop the turnover period is at least a year; for livestock it may require two or three years for a single turnover. Obviously the farmer needs to have provisions, adapted to his requirements, for extention of credit to produce his working capital.

"The need of better financial facilities for the farmer must be apparent in the most casual consideration of the profound divergence between methods of financing agriculture and other industries. The farmer who owns his farm is capitalist, executive and laborer all in one. As capitalist, he earns the smaller return on his investment. As executive, he is little paid, and as a laborer he is generally underpaid in comparison to labor in other occupations.

FINANCING THE FARMER.

"In the matter of what may be called fixed investment capital, the disadvantage of the farmer so strongly impressed public opinion that a few years ago the Federal Farm Loan Board

was established to afford better supplies of capital for plant investment and to insure moderate interest rates. But while unquestionably farm finance has benefited, the board has thus far not extended its operations to the provisions of working capital for the farmer as distinguished from permanent investment in the plant. There should be developed a thorough code of law and business procedure, with the proper machinery of finance, through some agency to insure that the turnover capital shall be as generously supplied to the farmer and on as reasonable terms as to other industries. An industry, more vital than any other, in which nearly half the nation's wealth is invested, can be relied upon for good security and certain returns.

"In the aggregate, the capital indebtedness of the country's agricultural plant is small, not large. Compared with other industries, the wonder is that agriculture, thus deprived of easy access to both investment and accommodation capital, has prospered even so well.

"The lines on which financial support of agriculture may be organized, are suggested in the plan of the Federal Farms Loan Board and in those rural finance societies which have been so effective in some European countries. *The (Co-operative) Loaning Associations of Europe* have been effective incentives to united actions by farmers and have led them directly into co-operation in both production and marketing, which have contributed greatly to the stabilization and prosperity of agriculture.

"It cannot be too strongly urged that the farmer must be ready to help himself. This conference would do most lasting good if it would find ways to impress the great mass of farmers to avail themselves of the best methods.

"By this I mean that, in the last analysis legislation can do little more than give the farmer the chance to organize and help himself.

"Take co-operative marketing. American farmers are asking for, and it should be possible to afford them ample provision of law under which they may carry on in co-operative fashion, those business operations which lend themselves to that method and which, thus handled, would bring advantage to both the farmer and his consuming public.

"But when we shall have done this, the farmers' must become responsible for doing the rest. They must learn organization and the practical procedures of co-operation. These things we cannot do for them, but, we can and should give them the chance to do them for themselves.

"With proper financial support for agriculture, and with instrumentalities for the collection and dissemination of useful information, a group of co-operative marketing organizations would be able to advise their members as to the probable demand for staples, and to propose measures for proper limitation of acreage in particular crops. The certainty that such scientific distribution of production was to be observed, would strengthen the credit of agriculture and increase the security on which financial advances could be made to it.

"There must be a new conception of the farmer's place in social and economic schemes. The time is long past when we may think of farming fitting for the man who is not equipped for or has somehow failed at some other line of endeavor. The successful farmer of to-day, far from being an untrained laborer, working every day and hour that sun permits, is the most expert and particularly the most versatile of artisans, executives and business men. He must be a good deal of an engineer to deal with problems of draining, road building and the like.

"In handling his soils for best results, in using fertilizer, determining rotations and in selecting and using feeds for stock, he has need for a working knowledge of chemistry. As our timber supply is reduced, his service in conserving and expanding the timber resources of the farm will be increasingly important, necessitating an intimacy with forestry and forestation. There is no business in which the executive talents of the skilled organizer and manager are more absolutely necessary than in successful farming, this applies alike to the producing, the buying, and the selling phases of farming. Along with all this, the farmer must have untiring energy and a real love and enthusiasm for his splendid profession. For such I choose to call the vocation of the farmer--the most useful, and, it ought to be made, one of the most attractive among all lines of human effort".

LIST OF SOCIETIES REGISTERED DURING THE MONTHS OF JUNE AND JULY, 1922.

	Name of Societies.	Districts.
1.	Darikhatar Samabay Samity	... Jessore.
2.	Rajnagar Samabay Samity	... "
3.	Poradanga Samabay Samity	"
4.	Rinsahar Rajbundh Jalsarbaraha Samabay Samity, Ltd.	.. Bankura.
5.	Jiorda Jalsarbaraha Samabay Samity, Ltd.	"
6.	Golakpur Jalsarbaraha Samabay Samity, Ltd.	"
7.	Hitasi Jalsarbaraha Samabay Samity, Ltd.	"
8.	Sukjora Dasdighi Jalsarbaraha Samabay Samity, Ltd.	"
9.	Moherakpur Muktakash Jalsarbaraha Samabay Samity, Ltd.	"
10.	Sankoya Joutha Bank	Midnapore.
11.	Saradabasan Samabay Samity	"
12.	Iswarpur Samabay Samity	"
13.	Akubpur Joutha Rindan Samity	"
14.	Hooghli Samabay Samity	.. 24 Parganas
15.	Rasui Samabay Samity	.. "
16.	Pashim Chandipur Samabay Samity	.. "
17.	Modhyam Chandipur Samabay Samity	... "
18.	Ramehandrapur Samabay Samity	... "
19.	Moregram Co-operative Society	.. Burdwan.
20.	Chuari Tokipur Co-operative Society	.. "
21.	Argoon Co-operative Bank	.. "
22.	Nandanpur Samabay Samity	... "
23.	Tentuldwip Katikuri Krishi Samabay Samity	...
24.	Kandara Samabay Samity	... "
25.	Bar Bainan Samabay Samity	... "
26.	Arjuppur Samabay Samity	... "
27.	Ullar Ghaneshyampur Joutha Bank	... Khulna.

	Name of Societies.	Districts.
28.	Pasni Joutha Bank	Murshidabad.
29.	Raghunathpur Dakshinpara Gramya Joutha Bank .. .	Faridpur.
30.	Digharkul Gramya Joutha Bank .. .	"
31.	Arkandi Gramya Joutha Bank .. .	"
32.	Kharsanda Joutha Samity .. .	Khulna
33.	Joykhali Joutha Samity .. .	"
34.	Jhalakhali Co-operative Bank .. .	Nadia
35.	Madanlalhi Jalsarbaraha Samabay Samity .. .	Bankura
36.	Chatarkanali Jalsarbaraha Samabay Samity .. .	"
37.	Bankura Nutan Chati Charmakar Samity (Shoe-makers) .. .	"
38.	Babarapukur Jalsarbaraha Samabay Samity, Ltd .. .	"
39.	Banagram Purirkukur Jalsarbaraha Samabay Samity, Ltd .. .	"
40.	Sahapurku Jalsarbaraha Samabay Samity, Ltd .. .	"
41.	Stikati Samabay Samity .. .	1. Patnaiahs.
42.	Kuljorah Samabay Samity .. .	Burdwan
43.	Lakshmania Gramya Joutha Bank .. .	Jessore
44.	Laskarpur Samabay Samity .. .	"
45.	Kalidahaichara Joutha Rindan Samity .. .	Midnapore
46.	Madhabchak Joutha Rindan Samity .. .	"
47.	Nonamadhabchak Joutha Bank .. .	"
48.	Heria Co-operative Society .. .	"
49.	King Patua Co-operative Society .. .	"
50.	Gopali Joutha Bank .. .	"
51.	Naturia Joutha Rindan Samity .. .	"
52.	Rana Bankurdaha Samabay Samity .. .	Howrah
53.	Mandara Dakshinpara Co-operative Bank .. .	Murshidabad.
54.	Srirampur Samabay Samity .. .	"
55.	Kaudara Co-operative Bank .. .	"
56.	Gafulia Co-operative Bank .. .	"
57.	Kytha Co-operative Bank .. .	"
58.	Salu Samabay Samity .. .	"
59.	Mandara Uttarpara Joutha Bank .. .	"
60.	Sardah Police College Co-operative Stores, Ltd. .. .	Rajshahi.
61.	Ramkanto Rindan Samity .. .	Rangpur.

	Name of Societies	Districts
62.	Parampur Basin Samity	Maldah.
63.	Chatkharr Co-operative Bank	Bogra.
64.	Karimpur Co-operative Bank	Do
65.	Chula Co-operative Bank	Dacca
66.	Banuri Samabay Samity	Backerganj
67.	Phasanchor Joutha Bank	"
68.	Shilpnr Co-operative Society, Ltd	"
69.	Medoor Joutha Samity	Mymensingh.
70.	Panchashri Krishn Samity	"
71.	Rahuramnud Co-operative Bank	"
72.	Padalgachhi Samabay Samity	"
73.	Pinduchopara Joutha Samity	"
74.	Damodaran Purbapara Joutha Samity	"
75.	Dakshin Jalisha Joutha Bank	Backerganj.
76.	Uttar Gokarna Joutha Bank	Tippera.
	Jetagram Joutha Bank	"
	Netper Joutha Bank	"
77.	Tatton Joutha Bank	"
78.	Dakshinbarabuddha Rindan Samity	Noakhali
79.	Paschim Paradnagar Rindan Samity	"
80.	Uttar Manipur Joutha Bank	"
81.	Masundi Joutha Bank	Tippera
82.	Purbab Bakra Joutha Bank	"
83.	Nairajpur Joutha Bank	Noakhali.
84.	Tectora Pabupur Joutha Tantubay Samity	"
85.	Charjitrampur Co-operative Bank	Dacca.
86.	Nanakhi Co-operative Bank	"
87.	Khamargon Co-operative Bank	"
88.	Danistapur Co-operative Samity	"
89.	Balobaria Samabay Samity	Mymensingh
90.	Kalipur Samabay Samity	"
91.	Darichandbari Joutha Bank	"
92.	Deejani Rindan Samity	"
93.	Loknatlpur Joutha Samity	"
94.	Rudrapoira Joutha Bank	"
95.	Raidarpara Joutha Bank	"
96.	Kathaliabari Samabay Samity	"

	Name of Societies.		Districts.
99.	Dacca Co-operative Industrial Union, Ltd. . .		Dacca.
100.	Goalundo Steamer Employees' Co-operative Bank, Ltd.		Faridpur.
101.	Potol Joutha Bank		Mymensingh.
102.	Karaitola Co-operative Bank		Dacca.
103.	Madaripur Donovan Girls' School Co-operative Stores, Ltd.		Faridpur.

List of Societies the registration of which has been cancelled during the months of June and July, 1922.

1.	Salap Co-operative Stores		Pabna.
2.	Kamakhvaguri Co-operative Credit Society		Jalpaiguri.
3.	Nagerhat Co-operative Bank		Dacca.
4.	Burichong Joutha Bank		Tippera.
5.	Dacca Police Co-operative Stores, Ltd.		Dacca.
6.	Jarain Joutha Bank		Tippera.
7.	Maghbazar Nayatala Jontha Bank		Dacca.
8.	Deoli G. R. S.		Mymensingh
9.	Gandhail Gramya Dharma Bhandar II		Dacca.

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